



San Jacinto River Authority



SELF EVALUATION REPORT

Submitted to the Sunset Advisory Commission

September 2019

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San Jacinto River Authority

ADMINISTRATIVE OFFICE
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August 30, 2019

Jennifer Jones, Executive Director
Texas Sunset Advisory Commission
P.O. Box 13066
Austin, TX 78711

Dear Ms. Jones:

On behalf of the Board of Directors of the San Jacinto River Authority, I am pleased to submit this self-evaluation report to the Texas Sunset Advisory Commission. The board and staff of the Authority strive to create a culture of excellence where an attitude of continuous improvement is expected, and we welcome the opportunity to work with the Sunset Commission staff to review SJRA's operations and identify areas where we can improve our service to our customers and the community.

As part of this self-evaluation report, SJRA staff have identified four specific areas in which we believe we can improve our operations and administration:

- **Enhanced public communications and engagement** – The activities of river authorities are often technical, complex, and generally happen behind-the-scenes. Water supply and wastewater treatment are not topics of everyday conversation. This makes it even more important that SJRA expand its efforts to effectively communicate with the public regarding its operations.
- **Expanded use of technology and social media** – The tools available for communicating information are constantly evolving. SJRA has invested significant time and effort in diversifying its communications efforts, but there is still room for improvement.
- **Comprehensive and uniform complaint resolution in a manner that can be tracked for reporting** – SJRA provides multiple avenues for citizens to register their comments or concerns, and it is our policy and culture to show respect to those who take the time to comment by being prompt and responsive. However, our systems for tracking comments and responses are not uniform across divisions, and we are working on improvements to these systems.
- **Increased accessibility for historically under-utilized businesses** – While the applicability of HUB laws to river authorities is not entirely clear, SJRA has made an effort to comply with the spirit of the law. We are continuing to make improvements in this area.


At the outset of this process, I believe it is useful to point out some unique aspects of river authorities that are critical to their intended function. First, almost all river authorities in Texas have no taxing authority and are funded via contracts with customers who seek either a product (e.g. water supply) or a service (e.g. wastewater treatment or reservoir operation). To position river authorities to meet the diverse needs of the public they were created to serve, the Legislature typically includes in their enabling acts a long list of authorized powers. These authorized powers are not mandates but instead form a sort of “menu” of options from which local public or private entities can choose. If it makes sense from an economic or efficiency standpoint, local entities can enter into contracts with river authorities to provide the requested services. These projects typically take the form of large-scale, regional partnerships among numerous local entities where the river authority can achieve efficiencies of scale that might not be possible for the individual entities. Examples include reservoirs and regional wastewater treatment plants. This unique feature also serves as a check and balance on the common tendency of government agencies to expand their scope or jurisdiction. River authorities are dependent on willing customers to fund their operations.

Another unique aspect of river authorities is their ability to plan, fund, and implement long-term projects that are necessary to meet the water supply needs of future generations of Texans. Water planning in Texas is conducted on a greater-than-50-year planning horizon. Large water projects such as reservoir construction can take multiple decades to complete. River authorities are uniquely equipped by the Legislature to meet these challenges. They have widespread customer bases so that costs can be regionalized and spread over large areas and many years. They have governor-appointed boards with long terms, typically six years, so that board members can become familiar with the long-term, complex projects that are involved with water planning. Also, they have the legal authorities necessary to broker regional partnerships and establish the necessary contracts for long-term financing of projects.

Finally, in order to provide the services that are requested of them by local customer entities, river authorities have a unique dependence on long-term, wholesale contracts and the laws that have been established to provide stability and certainty in financing projects based on those contracts. These laws include the following three important and long-standing legal principles: (i) the “incontestability” of wholesale contracts that are part of an Attorney General-approved bond offering; (ii) the validation of bonds and resolution of contract disputes through an expedited legal process; and (iii) an extremely high bar for state agency review of wholesale water contracts.

While river authorities may have a number of unique characteristics, we certainly share the Sunset Advisory Commission’s desire to achieve efficiency and effectiveness in the services we deliver. Thank you for this opportunity to partner with the Commission in achieving our mutual goal of improving the government services we deliver to the Texans we serve. We look forward to working with you and your staff.

Respectfully submitted,



Jace A. Houston
General Manager

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San Jacinto River Authority Self-Evaluation Report

I. Agency Contact Information

A. Please fill in the following chart.

**San Jacinto River Authority
Agency Contacts**

| | Name | Address | Telephone & Fax Numbers | Email Address |
|--------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------|-------------------|
| Agency Head | Jace Houston, General Manager | PO Box 329, Conroe TX 77305 (mailing) 1577 Dam Site Rd, Conroe, TX 77304 (physical) | 936-588-7111 936-588-3043 | jhouston@sjra.net |
| Agency's Sunset Liaison | Tom Michel, Director of Financial and Administrative Services | PO Box 329, Conroe TX 77305 (mailing) 1577 Dam Site Rd, Conroe, TX 77304 (physical) | 936-828-3813 936-588-3043 | tmichel@sjra.net |

II. Key Functions and Performance

Provide the following information about the overall operations of your agency. More detailed information about individual programs will be requested in a later section.

A. Provide an overview of your agency's mission, objectives, and key functions.

Agency Mission

In 2018, SJRA embarked on a comprehensive review and update of its [Strategic Plan](#), culminating in Board adoption on May 23, 2019. The following statements Vision, Mission, and Principles are taken directly from SJRA's 2019 Strategic Plan, accessible on the SJRA website at https://www.sjra.net/about/vision_mission_principles/.

Vision: Our Vision is to be a trusted leader in the management of the water resources of the San Jacinto River Basin.

Mission: SJRA's mission is to assure long-term water supplies; to provide safe drinking water, raw water, and wastewater treatment services; to protect source water quality; to coordinate

regional flood planning; and to inform and engage the public on a wide range of water resources management topics.

Principles:

- Focus on our customers and stakeholders.
- Treat each customer, employee, and vendor with dignity and respect.
- Value each employee, their work, and their commitment.
- Be truthful, trustworthy, and transparent.
- Be knowledgeable and diligent in the performance of our duties.
- Use financial resources effectively and efficiently.
- Be accountable for performance.
- Continuously improve our performance.
- Ensure that the systems that provide our services remain viable for future generations.
- Be prepared for and respond to emergencies.
- Support water conservation and environmental stewardship.

Agency Objectives

The following “Strategic Goals” are taken from SJRA’s 2019 Strategic Plan. The identification of the ‘bold steps’ necessary to initiate the implementation of the strategic plan allowed SJRA leaders to define a set of six strategic goals, the accomplishment of which will lead to the realization of the Authority’s vision and the accomplishment of its mission. These strategic goals are the ‘must-do’s’ that establish a foundation for the development of more detailed operating objectives, initiatives, and departmental work plans.

- **Goal 1: Engaged Board of Directors** – Board governance processes are policy-focused, responsive and timely, and result in informed Directors who are willing and able to advocate for SJRA decisions and operations. (Three strategies associated with Goal 1)
- **Goal 2: Operational Excellence** – Essential water, wastewater, and other contracted services are consistently and reliably delivered to the public, are diligently managed, and are characterized by efficiency, economy, compliance, and high customer satisfaction levels. (Three strategies associated with Goal 2)
- **Goal 3: Water Resource Leadership** – SJRA is a trusted partner in the management of the region’s water resources including long range water planning, water conservation, flood

management, and water education programs serving the shared interests of the region. (Three strategies associated with Goal 3)

- **Goal 4: Skilled, Engaged, and Valued Workforce** – SJRA employees are competently led, competitively compensated, professionally challenged, and recognized for achievement. (Three strategies associated with Goal 4)
- **Goal 5: Effective Stakeholder Communications** – SJRA creates and reinforces its unique value proposition through consistently reliable public communications and education, effective media relations, and productive community partnerships. (Two strategies associated with Goal 5)
- **Goal 6: High Performance Administration** – SJRA’s services are administered collaboratively and efficiently, including reasonable costs, disciplined and streamlined management, and technology-enabled business processes. (Five strategies associated with Goal 6)

Specific initiatives for the goals and strategies listed above will be further developed and assigned to employees or teams for implementation.

Agency Key Functions

SJRA’s key functions are customer-based activities consisting of the following:

- Long-range water supply planning for the region (by Raw Water Enterprise - Raw Water Supply);
- Reservoir maintenance and operations, including water quality protection (by Raw Water Enterprise - Lake Conroe Division);
- Raw water supply and conveyance for municipal, industrial, and irrigation customers (by Raw Water Enterprise - Highlands Division and Lake Conroe Division);
- Wholesale treated drinking water supply to municipal utility district customers (by Woodlands Division);
- Regional treatment of wastewater from municipal utility district customers (by Woodlands Division);
- Wholesale treated surface-water supply to Montgomery County customers (by Groundwater Reduction Plan Division);
- Regional flood planning and management (by Flood Management Division).

B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed.

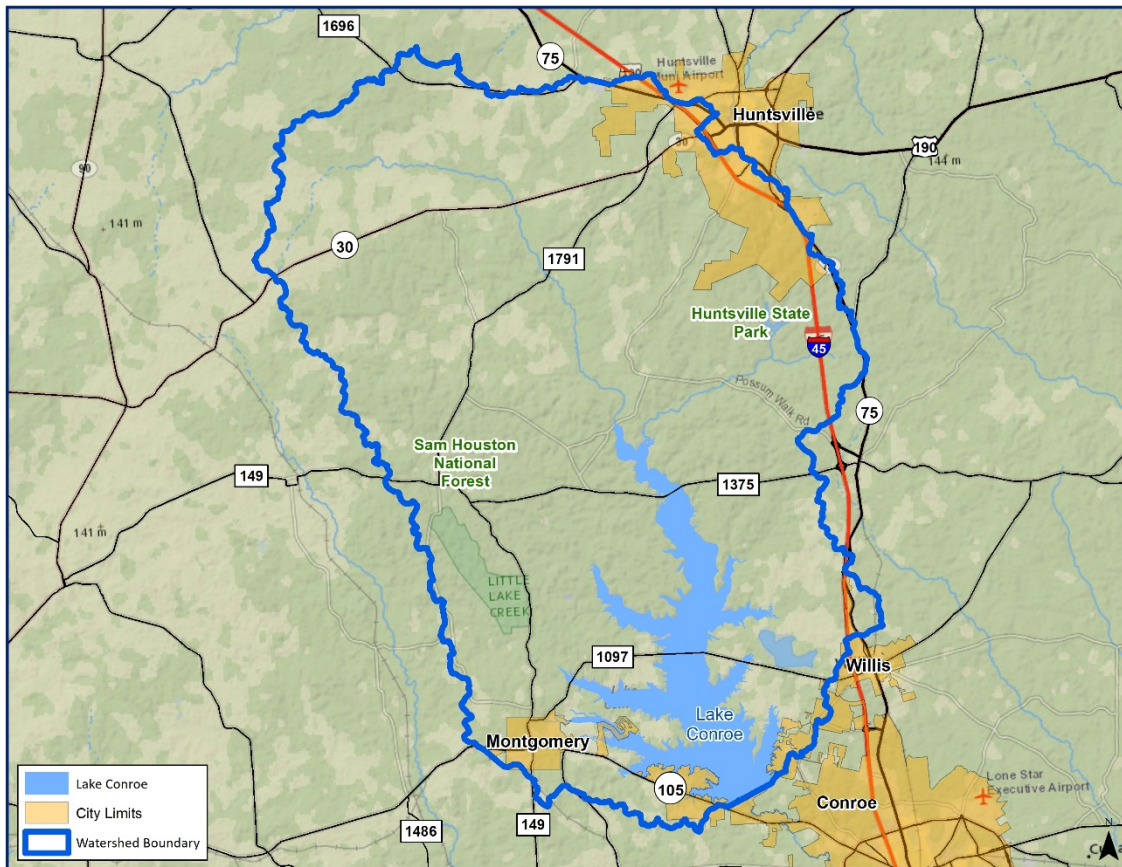
Yes. The SJRA's key functions, highlighted in Section II.A., above, continue to serve ongoing objectives, as evidenced by ongoing customer demand for the services provided.

- **Long-range water supply planning for the region (by Raw Water Enterprise - Raw Water Supply)**

One of SJRA's core functions is to plan for and develop long-range water supplies to meet the increasing water demands of one of the fastest-growing regions in the country. Due to the complexities and long lead times necessary to implement large-scale water supply strategies, water supply planning must look decades into the future, predicting expected demands and matching those demands with appropriate supplies.

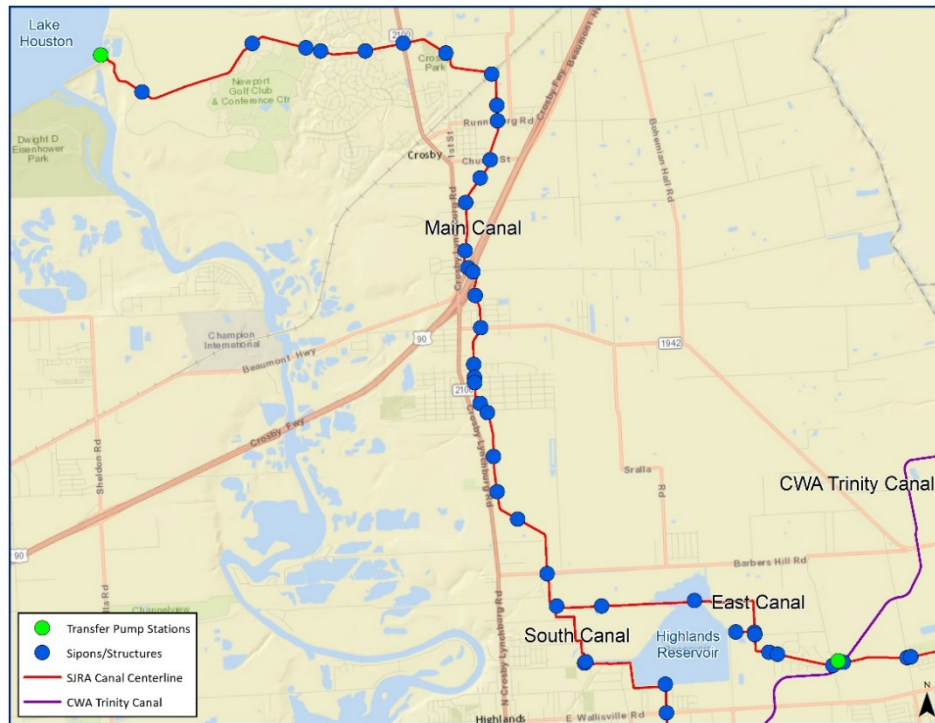
- **Reservoir maintenance and operations, including water quality protection (by Raw Water Enterprise - Lake Conroe Division)**

Lake Conroe is operated and maintained to provide a long-term, reliable water supply for the region, and it will require ongoing oversight until such time as it is no longer needed for water supply or other purposes. In addition, the protection of water quality within the San Jacinto River basin is critical to maintaining the waters of the San Jacinto River as a viable water supply for the current and future drinking water needs within the region.



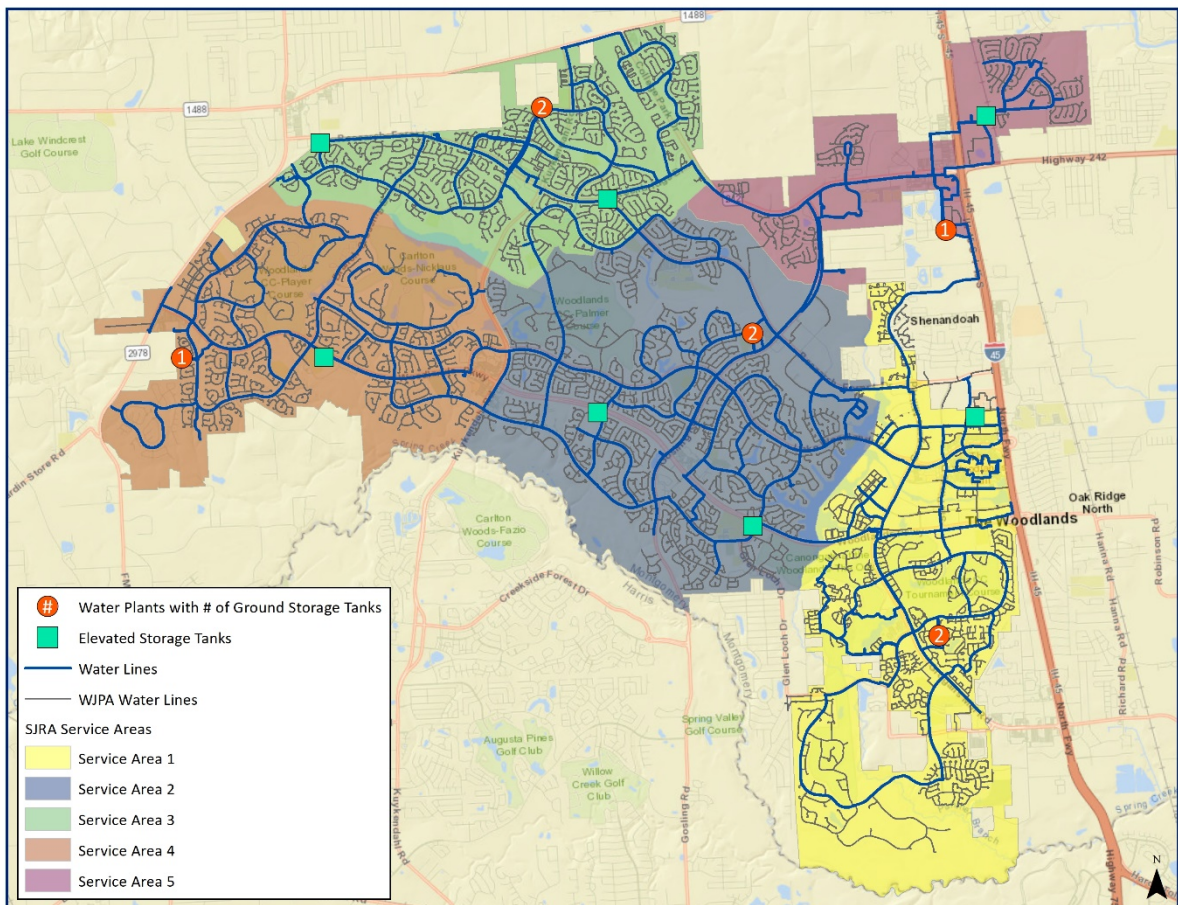
- **Raw water supply and conveyance for municipal, industrial, and irrigation customers (by Raw Water Enterprise – Highlands Division and Lake Conroe Division)**

SJRA plays a vital role as a wholesale water provider to many customers within the region through the conveyance of raw (untreated) water via water supply contracts, allowing those entities to utilize that water for their specific purposes. The water supplies provided by SJRA to its contract customers is crucial for the ongoing growth and vitality of the region.



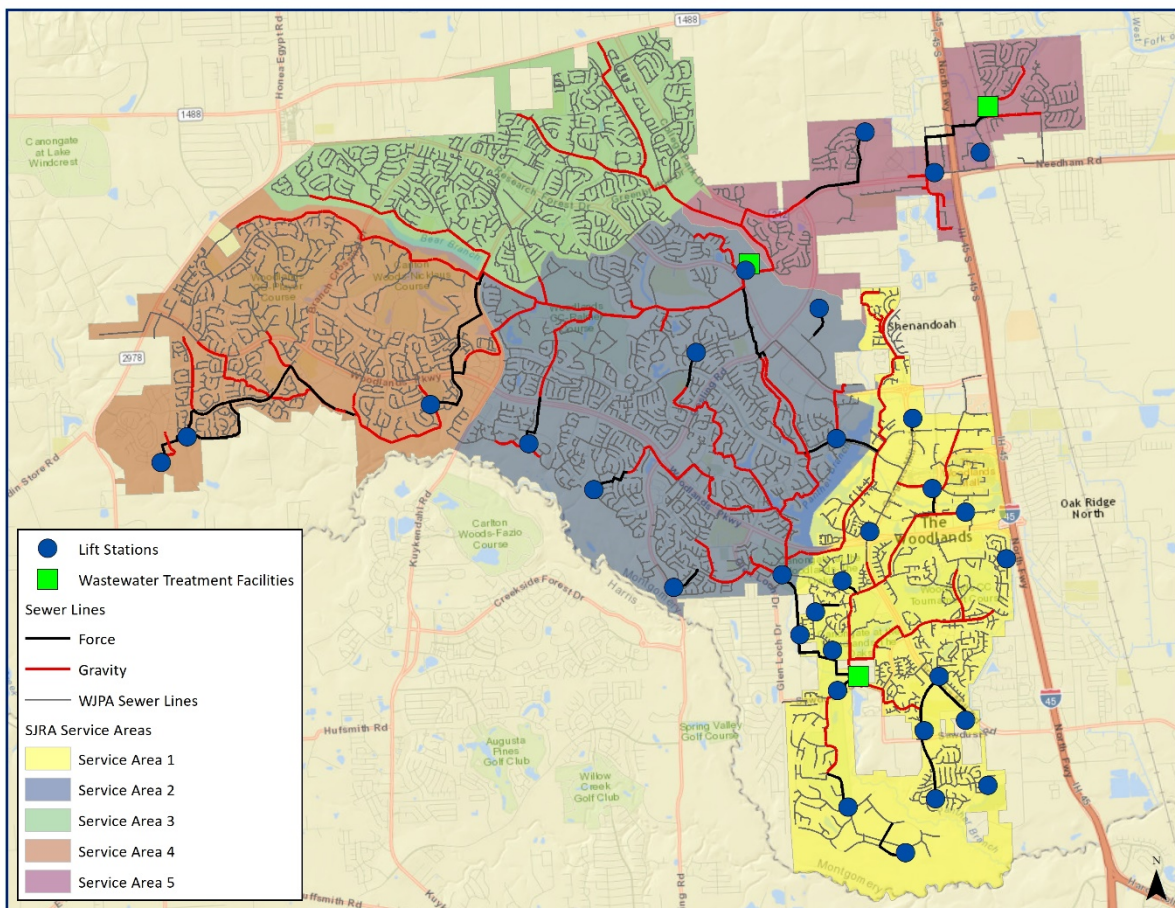
• **Wholesale treated drinking water supply to municipal utility district customers (by Woodlands Division)**

Starting in the 1970's, The Woodlands developed through a series of legislatively-created Municipal Utility Districts (MUDs). Those MUDs contracted with the SJRA to provide regional wholesale drinking water supplies, while the MUDs maintained the retail operations of the drinking water supply. Historically, the drinking water supply consisted of treated groundwater from a series of water wells. In 2015, The Woodlands MUDs began supplementing groundwater supplies with treated surface water from SJRA's GRP Division. The combination of SJRA providing wholesale treated drinking water services while the MUDs maintain the retail operations provides for greater economies of scale and more uniform wholesale cost while also allowing the individual MUDs the flexibility of setting specific retail rates to end-user customers. The MUDs have indicated an ongoing desire to receive these contracted services.



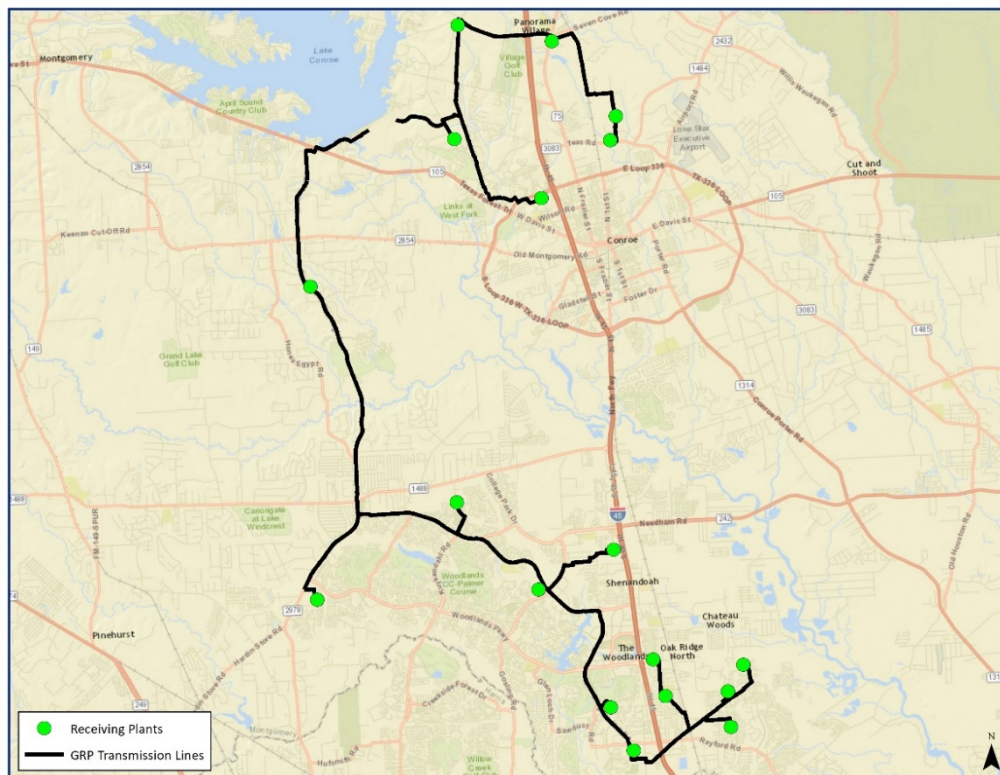
• **Regional treatment of wastewater from municipal utility district customers (by Woodlands Division)**

In conjunction with providing The Woodlands area MUDs with wholesale drinking water, as described above, SJRA also provides regionalized wholesale treatment of wastewater via contracts with the MUDs. The MUDs operate the retail side of wastewater collection and SJRA operates the larger collection lines and lift stations that connect to SJRA’s three, large regional wastewater treatment plants. By operating wastewater treatment facilities with a regional approach, the area benefits from the economies of scale while drastically reducing the footprint of the wastewater treatment process to the community and minimizing impacts to the environment. The MUDs have indicated an ongoing desire to receive these contracted services.



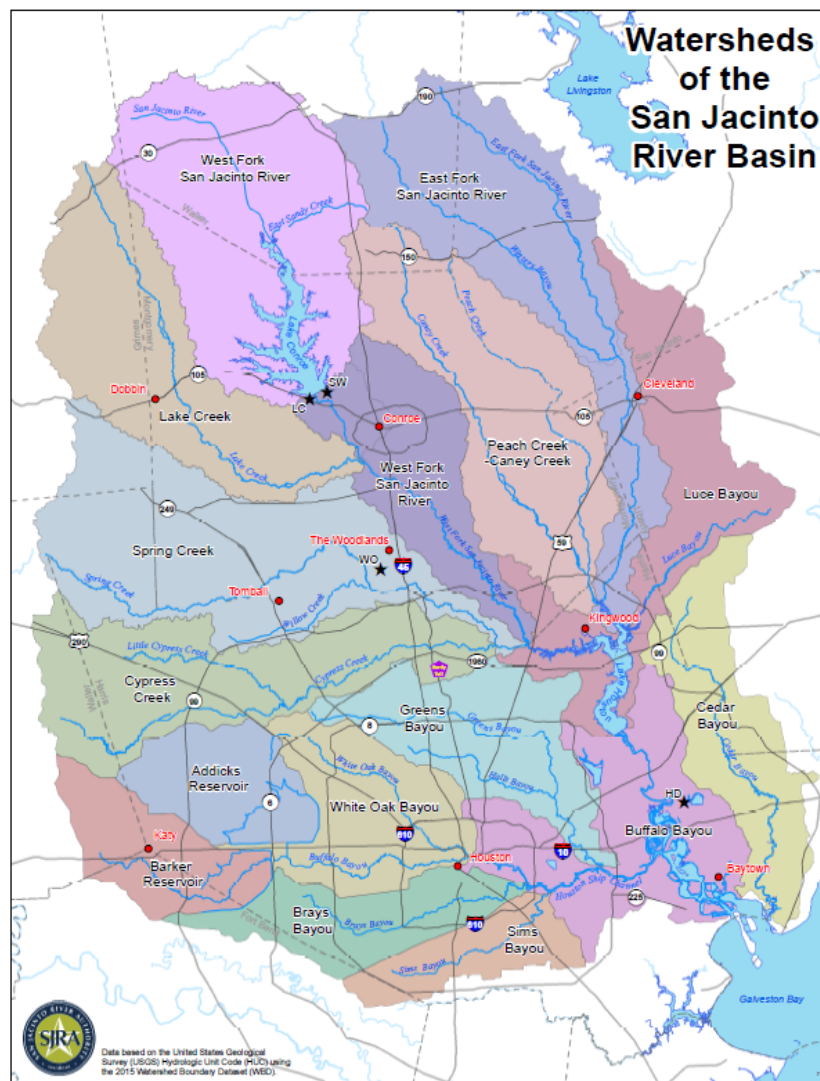
- **Wholesale treated surface-water supply to Montgomery County customers (by Groundwater Reduction Plan Division)**

SJRA presented a regional, water supply solution as a response to groundwater regulations enacted by the Lone Star Groundwater Conservation District (LSGCD) in 2010. Large volume groundwater users (LVGUs) within Montgomery County were required to limit groundwater utilization beginning in 2016 and, if necessary, seek alternative water supplies. SJRA provided an opportunity to any and all LVGUs to join together in a group Groundwater Reduction Plan (GRP) to develop alternative water supplies to offset the LSGCD limitations on groundwater. By joining together in a group GRP, roughly 80 local water utilities were able to achieve significant economies of scale to build and operate a regional surface water treatment plant that was able to meet the LSGCD groundwater regulations. Without a group GRP approach, geographically-dispersed, individual LVGUs within Montgomery County would have been forced to find, develop, and operate small, less-efficient, separate alternative water supplies at vastly different costs, resulting in highly-variant and possibly unworkable water costs. There would have been “winners” (those closer to alternative water supplies) and “losers” (those farther from alternative supplies). SJRA’s GRP Division has been able to provide LSGCD regulatory compliance for all of its GRP contract customers by providing high-quality wholesale treated surface water to strategically-located customers while others remain on groundwater, thus minimizing overall costs. The group GRP approach to LSGCD regulatory compliance created a regionalized, cost-effective solution that benefitted all LVGUs equally. Despite recent actions by newly-elected LSGCD board members to temporarily withdraw groundwater regulations, customers of the GRP Division have indicated a desire to continue receiving treated surface water for the foreseeable future.



- **Regional flood planning and management (by Flood Management Division)**

In 2018, SJRA created the Flood Management Division to actively seek federal, state, regional, and local partnerships to coordinate flood management activities across the entire San Jacinto River basin, including Harris County. Flood planning and management activities are typically carried out and funded by local taxing entities since the purpose is to protect life and property. Even though SJRA has no taxing authority, it has implemented flood management activities in the past via contracts with other local government entities. Through a series of contracts with five Woodlands MUDs, SJRA has operated and maintained the primary drainage systems in The Woodlands, including Bear Branch Reservoir. In 1985, SJRA worked with a local state representative in an effort to create a separate, tax-funded entity to specifically carry out flood management activities in Montgomery County, however, voters rejected the proposal. At this time, SJRA and the Harris County Flood Control District are the primary regional entities that serve in a regional flood planning or management role within the San Jacinto River basin. These services are expected to remain a high priority within the region, although funding will continue to depend on local partnerships.



C. What, if any, functions does your agency perform that are no longer serving a clear and ongoing purpose? Which agency functions could be eliminated?

All of SJRA's key functions as described in Section II A, continue to serve an ongoing purpose. None of these functions should be eliminated.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions?

Yes, SJRA's enabling act continues to reflect the mission, objectives (goals), and key functions as highlighted in section II A, above. In fact, SJRA's enabling act includes a long list of authorized powers, which allows SJRA to provide services as they are requested by willing customers. There are numerous activities that SJRA is authorized to undertake that are not being implemented at this time because there is no demand for the service. When the demand arises, SJRA will be able to respond by providing appropriate services without the necessity of going back to the legislature to amend its enabling statutes.

E. Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?

There have been two pieces of legislation that SJRA proposed for adoption within more recent decades. House Bill 2427, Chapter 358, Pages 1943-1971, Acts of the 68th Texas Legislature, Regular Session, 1983, authorized and directed SJRA to call an election within Montgomery County, Texas, to determine whether the proposed Montgomery County Flood Control District be created and whether the sales and use tax provided for in the Act be adopted and imposed. SJRA did not have taxing authority and therefore was limited in its ability to implement large regional flood management projects due to contract customer funding limitations. HB 2427 authorized the creation of the Montgomery County Flood Control District whereby the board of directors of said district would be authorized to levy, collect, and impose a sales, excise, and use tax for the benefit of said district equal to one percent of the receipts from the sale of taxable items, and the same rate on the storage use or consumption of taxable items purchased, leased, or rented from any retailer within the district. A confirmation election took place on August 10, 1985, and the proposition failed by a vote of 1,222 "For" and 2,714 "Against." If the District had been confirmed, it would have been authorized to contract with SJRA to utilize SJRA's project management and operation capabilities.

The second piece of legislation was proposed as Senate Bill 2489 in 2009, but it was not adopted. This bill would have created a "regional water district"-type approach to respond to the Lone Star Groundwater Conservation District (LSGCD) groundwater regulations. This approach would have been very similar to the successful regional water authorities that were created by the legislature in Harris County to address groundwater regulations. The legislature chose not to proceed with the legislation proposed by SJRA, which resulted in SJRA being required to use individual contracts to implement the GRP program. Roughly 80 Large Volume Groundwater Users (LVGUs) within Montgomery County individually and voluntarily signed contracts to join in a group GRP to collectively and successfully meet the LSGCD regulations. SB 2489 would still have provided a

means for LVGUs to voluntarily choose to join the GRP, but it would have obviated the need for individual contracts.

F. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

No. To the best of our knowledge, SJRA's activities do not overlap with other state or federal agencies.

One example of an SJRA function that is delegated from and coordinated with the TCEQ is SJRA's on-site sewage facilities (OSSF) program. TCEQ is legally responsible for regulating OSSFs, however, SJRA is authorized by the TCEQ to be an agent of the State of Texas to directly permit and regulate OSSFs within 2,075 feet of the shoreline of Lake Conroe. SJRA coordinates the ongoing permitting of those OSSFs, including any permit violations, with the TCEQ. The footprint of Lake Conroe is located within Montgomery and Walker counties and each of these counties has similar OSSF permitting authority granted by the TCEQ. It could be possible for Montgomery and Walker counties to take over permitting of the OSSFs that SJRA permits, however, due to SJRA's reservoir operations as related to water supply management and the direct impact that OSSFs have on the water quality within the water supply reservoir, SJRA is the most appropriate entity to monitor and permit OSSFs within the immediate drainage area of Lake Conroe.

SJRA's key functions are appropriately placed within SJRA's scope primarily because they are customer-oriented activities. Because SJRA has no taxing authority, the services SJRA provides are delivered to contract customers who desire to receive the services. There is generally little to no incentive for SJRA to attempt to add functions that are not appropriately related to its statutory purposes because of funding limitations.

In addition to funding limitations, geography also tends to serve as a built-in protection against duplication with other related agencies. The functions provided by SJRA are generally related to water supply, wastewater treatment, and other water-related activities, and SJRA coordinates with other similar agencies within the river basin to avoid duplication of efforts.

G. In general, how do other states carry out similar functions?

To the best of our knowledge, it is not uncommon for other states to utilize various forms of local, regional, or state governmental entities to carry out the types of functions implemented by SJRA. The funding methods may differ, the size and scope of the agency may differ, but in general the delivery of water-related services by governmental entities is common. Texas utilizes a state agency (TCEQ) to implement the Federal Clean Waters Act. TCEQ oversees the permitting of surface waters within the state. Texas uses legislatively-created river authorities, water conservation and reclamation districts, municipal water districts, and other similar water management entities for the purpose of water supply and flood management.

Retail and wholesale treatment and delivery of treated drinking water and treatment of wastewater in Texas is also not unique in Texas as compared to other states. In Texas, as virtually

all other states, local municipalities and various forms of public utility districts, as well as more regional entities such as river authorities, and even privately-operated for-profit and not-for-profit utilities combine to serve the water needs of the public.

H. What key obstacles impair your agency's ability to achieve its objectives?

None

I. Discuss any changes that could impact your agency's key functions in the near future (e.g., changes in federal law or outstanding court cases).

SJRA is facing multiple lawsuits associated with flooding that occurred during Hurricane Harvey in 2017. The City of Houston is a two-thirds partner in the construction and operation of Lake Conroe and is therefore responsible for two thirds of the costs associated with the lawsuits. While current case law related to the liability of reservoir operators for downstream flooding is favorable, the ongoing costs of litigation is a significant burden related to the operations of the Lake Conroe Division.

Additionally, the SJRA is currently involved in legal proceedings associated with the validation and enforcement of certain rates and contracts with some of its GRP Division customers. Specifically, two of the 80 GRP customers are still paying the 2016 rates and have refused to pay the current rates. The remaining 78 customers have been forced to cover the short payments while this litigation is completed. The GRP contracts represent the sole source of revenue for the GRP Division and for the repayment of approximately \$500 million in bonds sold to finance the construction of the GRP surface water facilities. Success in this litigation is critical to the continued operation of the GRP Division.

Even though the SJRA is not directly involved, there is a wholesale water rate case currently pending at the Public Utility Commission (PUC) that could have significant and detrimental impacts to SJRA's current and future ability to partner with other local entities to implement regional water projects, including water supply, wastewater treatment, and flood control projects. The case involves contracts entered into between thirteen member cities and the North Texas Municipal Water District. Current law sets an extremely high bar before the PUC will intervene in a wholesale contract entered into between sophisticated parties on equal terms. The reason for this high bar is to provide certainty to parties who are entering into complex contracts for large projects that have to be financed over many years. If the PUC intervenes in the contract, it would severely discourage entities such as the SJRA from entering into contracts with partner agencies to implement large-scale, regional projects.

Finally, certain federal laws and/or rulings could impact SJRA's abilities to perform key functions, in particular recent actions of the Environmental Protection Agency (directly or through the TCEQ), the U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service have created cause for significant concern among river authorities in Texas. Examples include the EPA's listing of certain species of mussels as endangered and the recent Waters of the US (WOTUS) rule.

J. Aside from additional staff or funding, what are your agency’s biggest opportunities for improvement in the future? For example, are there other programs or duties the agency could take on to better carry out its mission?

SJRA is constantly looking to improve its operations. This is evident by reviewing the included division and department five-year business plans, which contain SWOT (strength, weakness, opportunity, threat) and gap analyses along with prioritized areas for improvement. At this time, there are four areas in which we are focusing our efforts in order to improve operations and administration: (i) expanding use of technology and social media, (ii) public communications and engagement, (iii) comprehensive and uniform complaint resolution, and (iv) accessibility of historically under-utilized businesses.

K. Overall, how does the agency measure its effectiveness in carrying out its objectives?

SJRA uses numerous metrics to measure its performance. First, SJRA operating divisions and administrative departments have established specific five-year business plans that contain, among other things, key performance indicators (KPIs), customer communication goals, and customer service metrics. Each five-year business plan and the resulting metrics are updated annually. Second, SJRA has a comprehensive strategic plan with specific goals and objectives that are tracked to completion. Third, and perhaps more importantly, SJRA communicates directly with its contract customers on a routine basis depending upon the customer’s preference. SJRA meets with its municipal customers, or representatives of groups of customers, on at least a monthly basis to receive feedback and provide them with updates. SJRA meets with its large industrial customers throughout the year, generally on a quarterly schedule.

Provide information regarding your agency’s key performance measures, including outcome, input, efficiency, and explanatory measures. Please provide both performance measures listed in the agency’s appropriated bill pattern and other performance indicators tracked by the agency. Please provide information regarding the methodology used to collect and report the data.

See sample KPIs from each of our operating divisions located in Section VII.C. Full reports of KPIs from respective five-year business plans are included for each operating division and can be found in the [Supplemental Attachments/KPI-FY18](#).

L. Please list all key datasets your agency maintains. Why does the agency collect these datasets and what is the data used for? Is the agency required by any other state or federal law to collect or maintain these datasets? Please note any “high-value data” the agency collects as defined by Texas Government Code, Section 2054.1265. In addition, please note whether your agency has posted those high-value datasets on publically available websites as required by statute.

SJRA is not subject to the requirements of Texas Government Code, Section 2054.1265. SJRA does record and post historical datasets to the SJRA website for Lake Conroe: lake levels and area rainfall. The posted data is represented in charts and maps for ease of public consumption. Additionally, SJRA collects numerous water and wastewater data related to the amount of water

used, treated, and the quality of raw water and treated water. This data is not typically recorded on the SJRA website but can be made available upon request.

**San Jacinto River Authority
Key Datasets**

| Dataset Reference Number | Dataset Name | Description of Data | Data Maintained By | Hyperlink (if publicly available) | Legal Prohibition to Disclosure Y/N |
|--------------------------|--------------|---------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| N/A | N/A | Lake Conroe Area Rainfall | SJRA | https://sanjacinto.onerain.com/dashboard/?dashboard=c03aab24-7518-419b-9dfa-b151879a06c8 | N |
| N/A | N/A | Lake Conroe Lake Levels | SJRA | https://sanjacinto.onerain.com/dashboard/?dashboard=c03aab24-7518-419b-9dfa-b151879a06c8 | N |
| N/A | N/A | Water Use Data | SJRA | N/A | N |
| N/A | N/A | Water Quality Data | SJRA | N/A | N |

III. History and Major Events

- 1937** Established by HB 832, Chapter 426, 45th Legislature, the San Jacinto River Conservation and Reclamation District (District) was created in 1937 with a six-member board appointed by the State Board of Water Engineers (currently known as the Texas Water Development Board or "TWDB") for six-year terms. Authorized pursuant to Section 59, Article 16, of the Texas Constitution, the agency's purpose was to formulate any and all plans deemed essential to the operation of the District and for its administration in the control, storing, preservation, and distribution to all useful purposes of the storm and flood waters of the San Jacinto River and its tributary streams.
- 1939** The Texas Legislature passed the Tax Remission Bill, granting to the District a 50% remission of the ad valorem taxes on all counties within the District's service area.
- 1942** TWDB grants 165,000 acre feet of water rights to the District.
- 1945** The District acquired a portion of the Federal Works Agency canal system serving ship channel industries, as well as water rights in the San Jacinto River.
- 1951** SB 224 - The District was officially renamed the San Jacinto River Authority (SJRA or the Authority).
- 1968** SJRA began construction of Lake Conroe as a 1/3-2/3 partnership with the City of Houston and with loan assistance from the Texas Water Development Board.
- 1973** Lake Conroe was completed and filled. The reservoir has a projected annual yield of up to 100,000 acre-feet. The final cost of the project was \$30 million.
- 1975** SJRA was asked by the municipal utility districts (MUDs) in The Woodlands, Texas, to take on the responsibility for owning and operating the wholesale water supply and wastewater treatment systems for the MUDs. The rights and responsibilities of the parties was memorialized in a series of interlocal agreements. The Woodlands water supply system has now grown to some 38 groundwater wells serving over 100,000 people and numerous commercial and other users. The regional wastewater system includes three wastewater treatment plants and numerous lift stations. As a wholesale water supplier to The Woodlands, SJRA is a regulated user of groundwater subject to the groundwater regulations of the Lone Star Groundwater Conservation District (LSGCD), just like approximately 200 other regulated users in Montgomery County.
- 1985** Pursuant to HB 2427, Chapter 358, Pages 1943 – 1971, Acts of the 68th Texas Legislature, Regular Session, 1983, the SJRA was directed to call an election within Montgomery County, Texas, to determine whether to create a Montgomery County Flood Control District and whether to grant it the authority to collect sales and use taxes to fund its operations. On August 10, 1985, the election resulted in a majority vote against the creation of the proposed Montgomery County Flood Control District and the adoption of the sales and use tax.

- 1994** October 15-19 – A slow moving storm produced significant rainfall in Montgomery County and surrounding areas. Estimated peak inflow to Lake Conroe was over 100,000 cubic feet per second. The peak release rate from the Lake Conroe dam was approximately 33,000 cubic feet per second. This event was considered the “flood of record” until Hurricane Harvey in 2017.
- 1995** SJRA began the acquisition of water rights in the Trinity River basin at a cost of some \$18 million to supplement its San Jacinto supplies in serving its ship channel industrial customers, thereby freeing up SJRA’s water in Lake Conroe for future local use in Montgomery County.
- 1997** The Texas Legislature passed SB 1 establishing a new statewide water planning process driven by 16 regional water planning groups. SJRA’s General Manager was appointed by the TWDB to serve on the Region H Water Planning Group, and since that time, SJRA has played a leadership role in the regional water planning process for the greater Houston area, including serving as chairman of the planning group, administering the group’s grant and consulting contracts, and providing staff support and legal counsel.
- 2001** SJRA purchased additional Trinity River water rights at a cost of nearly \$8 million.
- 2003** The Texas Legislature amended the SJRA’s enabling act to provide that SJRA’s board members would be appointed by the Governor instead of the TWDB.
- 2005** SJRA began negotiations with the City of Houston to acquire the right to use Houston’s stored water in Lake Conroe. Those negotiations were protracted and made more difficult by the competition for water from other interests in Harris County.
- 2005** SJRA secured additional water rights in Lake Houston by securing TCEQ permits for previously unidentified and unallocated water.
- 2008** Pursuant to SB 287, 78th Legislative Session, the SJRA Board of Directors was increased from a six-member board to a seven-member board.
- 2009** SJRA entered into a Memorandum of Understanding (MOU) with the City of Houston to purchase the City’s water in Lake Conroe and to enable SJRA to timely complete a countywide Water Resources Assessment Plan, as required by the LSGCD. The MOU outlined the basic terms that would have to be developed into a final contract.
- 2009** SJRA completed the Houston water supply contract to secure all of the available water in Lake Conroe for use in Montgomery County.
- 2010** The Groundwater Reduction Plan (GRP) Division was created to implement a countywide program to meet the requirements of the Lone Star Groundwater Conservation District to substantially reduce future groundwater usage from the Gulf Coast Aquifer by ensuring a reliable, long-term diversified portfolio of alternative water supply sources for Montgomery County.

- 2015** SJRA's GRP Surface Water Treatment Plant began delivering treated drinking water.
- 2016** SJRA files suit in Travis County pursuant to the Expedited Declaratory Judgment Act to confirm the validity of the GRP contracts and SJRA's legal authority to enforce the GRP contract terms, including the fiscal year 2017 GRP rates.
- 2017** Hurricane Harvey produced record rainfall totals across Southeast Texas. Estimated peak inflow into Lake Conroe was 130,000 cfs; peak release from Lake Conroe was 79,141 cfs.
- 2018** In response to a directive from Governor Abbott, SJRA created a new Flood Management Division to develop and implement regional flood management strategies. Recognizing that SJRA has no funding to implement flood management solutions, the Governor's directive included a task to identify funding to implement a long-term plan that better protects areas downstream.

IV. Policymaking Structure

- A. Complete the following chart providing information on your policymaking body members.

San Jacinto River Authority
Policymaking Body

| Member Name | Term/Appointment Dates/Appointed by (e.g., Governor, Lt. Governor, Speaker) | Qualifications (e.g., public member, industry representative) | City |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------|
| Lloyd B. Tisdale President | 10/19/1995 -10/16/2001; 10/17/2001 – 10/16/2007; 07/24/2008 – 10/16/2013; 10/21/2014 – 10/16/2019; October 21, 2014; Governor Perry | Required Montgomery County Resident | Conroe |
| Ronnie Anderson Vice President | 05/31/2016 – 10/16/2021; May 31, 2016; Governor Abbott | - | Mont Belvieu |
| Kaaren Cambio Secretary | 02/05/2018 – 10/16/2019; February 5, 2018; Governor Abbott | - | Kingwood |
| Mark Micheletti Treasurer | 02/05/2018 – 10/16/2023; February 5, 2018; Governor Abbott | - | Kingwood |
| Ed Boulware Assistant Secretary | 02/05/2018 – 10/16/2023; February 5, 2018; Governor Abbott | Required Montgomery County Resident | Montgomery |
| Jim Alexander | 10/21/2014 – 10/16/2019; October 21, 2014; Governor Perry | Required Montgomery County Resident | Montgomery |
| Brenda Cooper | 11/14/2018 – 10/16/2021; November 14, 2018; Governor Abbott | Required Montgomery County Resident | Montgomery |

- B. Describe the primary role and responsibilities of your policymaking body.

The role of the SJRA board of directors is defined within its enabling act and within Chapter 49 of the Water Code, Subchapter C. Section 49.057 states “The board shall be responsible for the management of all the affairs of the District.” Section 49.056 states “(a) The board may employ or contract with a person to perform such services as general manager for the district as the board may from time to time specify. The board may delegate to the general manager full authority to manage and operate the affairs of the district subject only to orders of the board.” The Board has governed SJRA by serving as the policymaking body and delegating operational

authority to the general manager. The board oversees the operations of SJRA through the accountability placed on the general manager.

C. How is the chair selected?

Section 6 of SJRA's Enabling Act states:

"The Board of Directors shall organize by electing one of its members President, one Vice-President, one Secretary, and one Treasurer. Four (4) members, including the presiding officer, shall constitute a quorum to transact business. The President shall preside at all meetings of the Board and shall be the chief executive officer of the District. The Vice-President shall act as President in case of the absence or disability of the President."

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

Section 6 of SJRA's enabling act states that four board members must be residents of Montgomery County:

"...all of whom shall be freehold property taxpayers and legal voters of the State of Texas and four (4) of whom shall be residents of a county wholly encompassed by the District."

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2017? In FY 2018?

The San Jacinto River Authority board of directors meetings are held monthly on the fourth Thursday of each month, with the exception of November and December. No meeting is held in the month of November due to the Thanksgiving holidays, and the December meeting is held on the second Thursday of the month to avoid conflicts with the Christmas holidays.

In Fiscal Year 2017, the board held ten regular meetings (August, 2017, regular meeting was cancelled due to Hurricane Harvey).

In Fiscal Year 2018, the board held eleven regular meetings.

F. Please list or discuss all training members of the agency's policymaking body receive. How often do these members receive training?

Public Information Act training as required by Government Code §552.012.

Open Meetings Act training as required by Government Code §551.05.

New Board Member Orientation – Each newly-appointed board member receives orientation training by senior management and SJRA's general counsel prior to their first board meeting. *(New Board Member Orientation Handbook can be found in Attachments/Attachment 8_Training Manuals/ 8-1_New Board Member Orientation)*

Facility Tours and Briefings – Several times each year, board members are provided opportunities to tour different SJRA facilities and receive briefings on operations and current issues.

Board Member Ethics Training – Periodically, typically every other year, SJRA’s general counsel provides board members with a training session covering the various laws related to service as a board member for a governmental entity. Topics include conflicts of interest, nepotism, bribery, gifts, meeting procedures, board policies, etc. *(The Code of Ethics can be found in Attachments/Attachment 8_Training Manuals/ 8-2_Code of Ethics Policy)*

Texas Water Conservation Association (TWCA) conferences – Board members can attend any TWCA conferences which are held three times within a one-year period.

Governor Appointee Training Seminar in Austin; as required by the Governor.

G. What information is regularly presented to your policymaking body to keep them informed about the agency’s operations and performance?

The Board of Directors receive the following at each regular board meeting:

Monthly Board Agenda Packets:

(A sample of the Board of Directors Agenda Packet including all reports and presentations can be found in Supplemental Attachments/4G1_Electronic Board Package)

Agenda items are divided into four areas: divisional updates, consent agenda items, regular agenda items, and presentations. Each area is further divided by operating division.

All action items on the agenda include a coversheet summarizing pertinent information, all supporting data/documentation, and staff recommendations.

On occasion, there may be an audio/visual presentation accompanying an agenda item.

Monthly Division Updates:

Updates related to operations, projects, activities, and staff reports.

Monthly/Quarterly Financial Report:

This report is intended to keep the Board of Directors apprised of the ongoing financial condition of the Authority. The report includes financial highlights, schedules of revenue and expenses (actual and budget), unaudited balance sheet, unaudited statement of revenues and expenses (summary), and schedule of investments.

Quarterly Investment Report *(See Attachments/Attachment 16_Quarterly Performance Reports)*

Unaudited Financials *(See Supplemental Attachments/4G2_Unaudited Financials)*

GRP Monthly Operations Report:

This report from the GRP Division provides information related to reported water use, regulatory compliance, financial reports, division news and updates, and statistics related to metered surface water withdrawal.

The GRP Monthly Operations Report is also used as a communications tool with our GRP customers.

Woodlands Municipal Utility District (MUD) Report:

This report from the Woodlands Division provides statistics and other information related to the water and wastewater operations in The Woodlands as well as status reports on various Woodlands capital projects.

This Woodlands MUD Report is also used as a communications tool with our Woodlands customers.

(A sample of the Woodlands MUD Report can be found in Supplemental Attachments/4G3_MUD Report September 2018)

Annual Reports:

Annually, but at different times spread throughout the year, staff presents the following reports to the board. In some years, the report related to rates is in the form of an official rate study performed by an outside, third party, while in other years the rate report is provided by staff.

Annual operating budgets

Energy Report *(See Attachments/Attachment 2_Annual Reports)*

Annual rate reviews for the Woodlands and GRP Divisions and the Raw Water Enterprise *(See Supplemental Attachments/4G4 GRP Rate Study and 4G5 RW Rate Study)*

10-Year Project Plans for each Division *(See Supplemental Attachments/Ten Year Project Plans)*

Comprehensive Annual Financial Report *(Also see Attachments/Attachment 12_Annual Financial Reports)*

Investment Policy *(See Attachments/Attachment 10_Significant Policies/10-5_Investment Policy)*

Pension investment review *(See Attachments/Attachment 10_Significant Policies/10-6_Pension Plan Investment Policy)*

Strategic plan progress report

H. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

All regular SJRA board meetings include an item on the agenda to receive public comment. During this time, anyone wanting to address any agenda item or a topic not listed on the agenda may do so. As mentioned above, SJRA staff regularly communicate with and receive input from our different customer groups, so at each board meeting during divisional updates, the board is updated on any important communications from division customer meetings (eg. the GRP Review Committee and Woodlands MUD meetings).

Additionally, the board has elected to use more formal stakeholder processes for major projects, such as the development of the Raw Water Supply Master Plan and the Lake Conroe Watershed Protection Plan. These formal stakeholder processes typically involve reaching out to representatives of various interest groups to solicit individuals to participate in stakeholder meetings. For example, for the Raw Water Supply Master Plan, the stakeholder group included representatives of Chevron Phillips Chemical Company, the City of Conroe, the City of Houston, the City of Magnolia, Entergy, ExxonMobil, the Greater Houston Economic Development Council, the Harris Galveston Subsidence District, the Lone Star Groundwater Conservation District, Montgomery County, the North Harris County Regional Water Authority, The Woodlands Joint Powers Agency, and several chambers of commerce. SJRA has found stakeholder processes to be a very valuable tool in gathering input on important projects. When appropriate, the board has utilized ad hoc “town hall” type meetings to address specific, timely matters, such as dock permitting and fees.

The SJRA also provides, via its website, an opportunity for members of the public to sign up for email and/or text alerts regarding topics of their choosing. SJRA then uses these stakeholder lists to share timely information directly related to issues in which members of the public have expressed an interest. SJRA also uses these text alerts and emails for emergency communications.

The SJRA website includes a dedicated page for the [Board of Directors](#). Anyone wishing to contact the members of the board may do so by submitting comments, questions, etc., via the website.

Any of the board members can be contacted by calling SJRA’s main number. Any messages, comments, questions, etc., left with SJRA staff are forwarded to the proper board member.

I. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart. For advisory committees, please note the date of creation for the committee, as well as the abolishment date as required by Texas Government Code, Section 2110.008. In addition, please attach a copy of any reports filed by your agency under Texas Government Code, Section 2110.007 regarding an assessment of your advisory committees as Attachment 25.

The Authority is not subject to the provisions of Texas Government Code, Chapter 2110, however, the board has organized itself into the following subcommittees in order to provide additional review and oversight of SJRA operations. The subcommittees do not make any final decisions but report back to the board as appropriate.

**San Jacinto River Authority
Subcommittees and Advisory Committees**

| Name of Subcommittee or Advisory Committee | Size / Composition / How are members appointed? | Purpose / Duties | Legal Basis for Committee (statute or rule citation) | Creation and Abolishment Dates |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------|
| Communications Committee | This committee is comprised of three members appointed by the board President. | This committee reviews communication goals and policies and provides feedback and input to staff on goals and effectiveness of various communications strategies. | Board Order No. 2016-O-02 | N/A |
| Finance Committee | This committee is comprised of three members appointed by the board President. | This committee reviews annual budgets, rates/rate orders, annual audit, and major financing initiatives. | Board Order No. 2016-O-02 | N/A |
| Long Range Planning Committee | This committee is comprised of three members appointed by the board President. | This committee reviews issues related to strategic planning, long-term water supplies, legislation, and capital improvements planning. This committee also reviews monthly board meeting agendas. | Board Order No. 2016-O-02 | N/A |
| Personnel Committee | This committee is comprised of three members appointed by the board President. | This committee reviews executive compensation, personnel policies and procedures, and significant personnel issues. | Board Order No. 2016-O-02 | N/A |
| Retirement Plans Investment Committee | This committee was created by charter of the board and is comprised of specifically-named employees with the board Treasurer serving as representative of the Board of Directors. | This committee was formed to assist the retirement plan administrators in fulfilling their oversight responsibilities. | Board Order No. 2016-O-02 | N/A |

V. Funding

A. Provide a brief description of your agency's funding.

SJRA's Enabling Act authorizes the Board of Directors to establish rates and fees for its contract customers associated with the sale or reservation of untreated, raw water, sale of wholesale treated groundwater and surface water, treatment and discharge of wastewater, and commercial and residential use licenses and permits on operated reservoirs. SJRA is not authorized to levy any sort of tax nor does it receive state funding outside of occasional loans and/or grants from TWDB, TCEQ, and TPWD. Additionally, SJRA receives interest on investments.

B. List all riders that significantly impact your agency's budget.

N/A - SJRA does not receive state appropriations.

C. Show your agency's expenditures by strategy.

**San Jacinto River Authority
Expenditures by Strategy — 2018 (Actual)**

| Goal / Strategy | Amount Spent* | Percent of Total | Contract Expenditures Included in Total Amount** |
|-------------------------------------|-----------------------|------------------|--------------------------------------------------|
| Flood Management | \$150,045 | 0.14% | \$29 |
| General and Administration | 2,511,800 | 2.29% | 1,478,964 |
| Groundwater Reduction Plan Division | 51,423,209 | 46.84% | 10,725,134 |
| Highlands Division | 16,416,429 | 14.95% | 9,446,320 |
| Lake Conroe Division | 4,889,461 | 4.45% | 2,252,488 |
| Raw Water Supply | 944,630 | 0.86% | 337,085 |
| Woodlands Division | 32,896,336 | 29.96% | 17,701,097 |
| Bear Branch | 143,007 | 0.13% | 98,918 |
| Region H | 421,572 | 0.38% | 421,572 |
| GRAND TOTAL: | \$ 109,796,489 | 100% | \$ 42,461,607 |

*Does not include intercompany

**Does not include intercompany, salaries and benefits, debt-related expenses, or depreciation

As part of the GRP contract terms for new participants adding infrastructure, the GRP Division made payment to GRP participants not included in the total above, totaling \$2,594,462.

- D. Show your agency’s sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.**

**San Jacinto River Authority
Sources of Revenue — Fiscal Year 2018 (Actual)**

| Source | Amount |
|---------------------------|----------------------|
| Flood Management Division | \$0 |
| G&A Division | 314,074 |
| GRP Division | 39,395,336 |
| Highlands Division | 289,642 |
| Lake Conroe Division | 3,996,308 |
| Raw Water Supply | 14,729,907 |
| Woodlands Division | 44,553,015 |
| Bear Branch | 0 |
| Region H | 668,124 |
| TOTAL | \$103,946,406 |

Capital contributions from customers are not included in the above Table 7. Customer capital contributions for FY 2018 were as follows: Bear Branch = \$99,537; Highlands Division = \$1,258,150; and Woodlands Division = \$132,710. Flood Management Division funding in FY 2018 was derived from Raw Water Supply revenues.

- E. If you receive funds from multiple federal programs, show the types of federal funding sources.**

SJRA does not receive federal funds for any ongoing operations. However, SJRA has received FEMA funds in the past, notably for reimbursements from May 2016’s “Memorial Day” storm event and from August 2017’s Hurricane Harvey. Details regarding past FEMA funds can be provided upon request.

F. If applicable, provide detailed information on fees collected by your agency.

**San Jacinto River Authority
Fee Revenue — Fiscal Year 2018**

| Fee Description/ Program/ Statutory Citation | Current Fee | Fees Set by Statute or Rule? | Statutory Maximum or Minimum | Number of Persons or Entities Paying Fee | Fee Revenue | Where Fee Revenue is Deposited (e.g., General Revenue Fund) |
|--------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------|
| GRP Groundwater Pumpage Fee | \$2.64 per 1000 gal | Rule | N/A | 150 | \$30,364,866 | GRP General Fund |
| GRP Surface Water Fee | 2.83 per 1000 gal | Rule | N/A | 5 | 6,695,892 | GRP General Fund |
| Lone Star Groundwater Fees | .105 per 1000 gal (pass through) | Rule | N/A | 150 | 1,501,631 | GRP General Fund |
| Compliance Fee | Pass through for attorney's fees | Rule | N/A | 5 | 14,463 | GRP General Fund |
| Repair Recovery | Pass through of expenses | Rule | N/A | 4 | 41,292 | GRP General Fund |
| Interest Charges | 5% penalty with 1% interest every month thereafter | Rule | N/A | 27 | 223,890 | GRP General Fund |
| Woodlands Water Service Fees | 2.10 per 1000 gal | Rule | N/A | 11 | 11,279,002 | Woodlands General Fund |
| Woodlands Wastewater Treatment Fees | 4.30 per 1000 gal | Rule | N/A | 11 | 13,286,432 | Woodlands General Fund |
| Woodlands Pretreatment Fee | \$205,100 per year | Rule | N/A | 10 | 205,100 | Woodlands General Fund |
| Woodlands Effluent (Reuse) | .30 per 1000 with a minimum of \$2,500 | Rule | N/A | 1 | 30,000 | Woodlands General Fund |
| Woodlands Surface Water Conversion Fee (blended GW/SW) | 2.76 per 1000 gal (Changed mid- year to 2.74 per 1000 gal) | Rule | N/A | 11 | 14,774,220 | Woodlands General Fund |
| Raw Water Fees | .41 (Sep-Dec)/.43 (Jan-Aug) per 1000 gal | Rule | N/A | 38 | 14,339,564 | General Fund |

| Fee Description/ Program/ Statutory Citation | Current Fee | Fees Set by Statute or Rule? | Statutory Maximum or Minimum | Number of Persons or Entities Paying Fee | Fee Revenue | Where Fee Revenue is Deposited <i>(e.g., General Revenue Fund)</i> |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------|---------------------------------------------------|-------------|---------------------------------------------------------------------------------|
| Raw Water Reservation Fees | .1025 (Sep-Dec) per 1000 gal/.1075 (Jan- Aug) per 1000 gal | Rule | N/A | 3 | 224,185 | General Fund |
| Raw Water Reclaimed Groundwater | \$21.84 per acre foot in Dec 2017 and \$22.20 per acre foot in July 2018 (This rate is adjusted utilizing a percentage change in PPI Commodity Data provided by the Bureau of Labor Statistics) | Rule | N/A | 2 | 16,514 | General Fund |
| Lake Conroe & City of Houston Contractual Revenue | 2/3 of Lake Conroe's Expenses plus a 15% G&A Allocation (some expenses of Lake Conroe are not included) | Rule | N/A | 1 | 2,617,142 | General Fund |
| Lake Conroe Dock Fees- Residential | 0.188 per square- foot (\$60 minimum) | Rule | N/A | 4,181 | 674,301 | General Fund |
| Lake Conroe Dock Fees- Commercial | 0.375 per square- foot | Rule | N/A | 41 | 44,105 | General Fund |
| Lake Conroe Quarterly Dock Fees – Commercial | 0.375 per square- foot | Rule | N/A | 62 | 329,052 | General Fund |
| Lake Conroe Residential Lawn Irrigation Fee | \$150 per year | Rule | N/A | 753 | 111,750 | General Fund |
| Lake Conroe Commercial License | \$375 per year | Rule | N/A | 98 | 36,745 | General Fund |
| Lake Conroe Commercial Vessel Fee | \$100 per year | Rule | N/A | 20 | 10,600 | General Fund |
| Lake Conroe Commercial Barge/Party Boat Fee | \$250 per year | Rule | N/A | 23 | 8,125 | General Fund |

| Fee Description/ Program/ Statutory Citation | Current Fee | Fees Set by Statute or Rule? | Statutory Maximum or Minimum | Number of Persons or Entities Paying Fee | Fee Revenue | Where Fee Revenue is Deposited (e.g., General Revenue Fund) |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------|---------------------------------------------------|-------------|-------------------------------------------------------------------------|
| Lake Conroe On-Site Sewage Facility Construction Permit | \$300 each | Rule | N/A | 54 | 16,200 | General Fund |
| Lake Conroe On-Site Sewage Facility Re-Inspection Fee (a change to the system) | \$260 each | Rule | N/A | 22 | 5,720 | General Fund |
| Lake Conroe Commercial Land Lease | Minimum amount (\$985.75 and \$4,115.25) per contract with evaluation for CPI adjustments every five years | Rule | N/A | 2 | 5,305 | General Fund |
| Lake Conroe Non-Exclusive Right of Entry and Consent to Maintenance | \$1,000 per agreement | Rule | N/A | 1 | 1,000 | General Fund |
| Lake Conroe 1 st Notice Late Fees | \$10 | Rule | N/A | 13 | 100 | General Fund |
| Lake Conroe Late Fee - Admin | \$250 | Rule | N/A | 14 | 2,812 | General Fund |
| Lake Conroe Late Fee - Attorney | \$500 | Rule | N/A | 1 | -500 | General Fund |

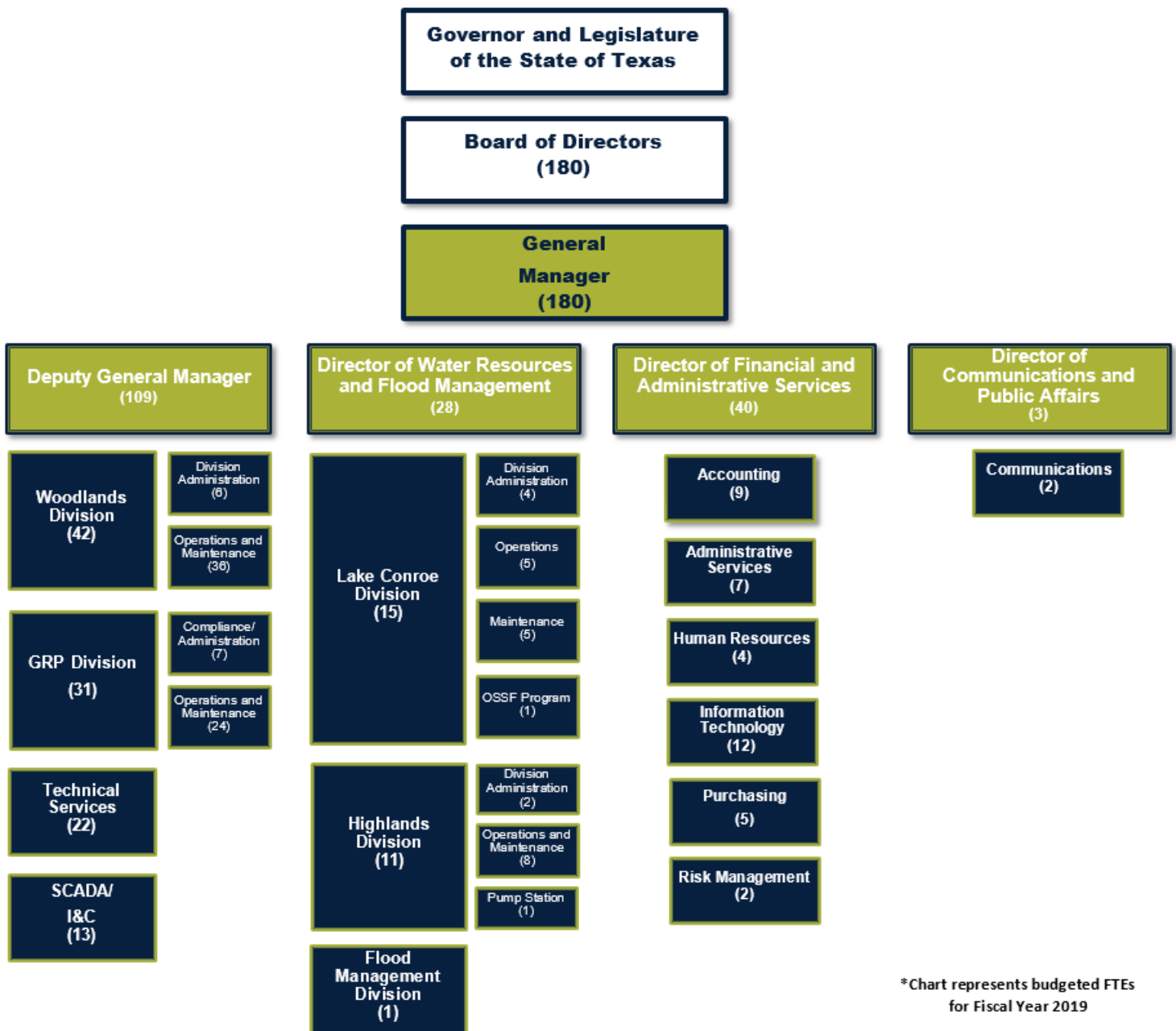
VI. Organization

- A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division. Detail should include, if possible, department heads with subordinates, and actual FTEs with budgeted FTEs in parenthesis.



San Jacinto River Authority

Organizational Chart



*Chart represents budgeted FTEs for Fiscal Year 2019

B. If applicable, fill in the chart below listing field or regional offices.

**San Jacinto River Authority
FTEs by Location - FY2019**

| Headquarters, Region, or Field Office | Location | Co-Location? Yes/No | Number of Budgeted FTEs FY2019 | Number of Actual FTEs (as of August 31, 2019) |
|---------------------------------------|-------------------------------------------|------------------------|--------------------------------|-----------------------------------------------|
| G&A Office* | 1577 Dam Site Rd. Conroe TX 77304 | Yes | 81 | 77 |
| GRP Division Office | 11998 Pine Valley Dr. Conroe, TX 77304 | Yes | 31 | 26 |
| Highlands Division Office | 1108 E. Canal Highlands, TX 77562 | No | 11 | 9 |
| Lake Conroe Division Office | 1561 Dam Site Rd. Conroe, TX 77304 | No | 15 | 14 |
| Woodlands Division Office | 2436 Sawdust Rd. Woodlands, TX 77380 | Yes | 42 | 37 |
| Totals | | | 180 | 163 |

* The Flood Management Division offices are within the G&A Office

C. What are your agency's FTE caps for fiscal years 2017–2020?

SJRA does not receive appropriations from the state and, therefore, does not have FTE caps; however, the SJRA Board of Directors and staff strive to keep operational costs as low as possible and annually review the five-year staffing plans for all divisions and departments as part of the development of the annual operating budget. The General and Administrative Division (G&A) is made up of support departments: Accounting, Administrative Services, HR, IT, Communications, Purchasing, and Risk Management, as well as two technical support departments – Technical Services and SCADA/Instrumentation & Controls. The G&A departments allocate the vast majority of their time to the operating divisions with unallocated G&A time accounting for roughly 10% of G&A's FTEs. Additionally, some divisions allocate staff time to other divisions and/or Bear Branch. The following table represents the staffing plans used in the adopted budgets for fiscal years from 2017 to 2020.

SJRA Budgeted FTEs: FY 2017 through FY 2019 and proposed FY 2020

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Bear Branch Total | 0.68 | 0.22 | 0.61 | 0.38 |
| Direct | 0 | 0 | 0 | 0 |
| Allocated in | 0.68 | 0.22 | 0.61 | 0.38 |
| Flood Mgmt Total | 0.00 | 0.00 | 2.65 | 3.51 |
| Direct | N/A | N/A | 0 | 1 |
| Allocated in | N/A | N/A | 2.65 | 2.51 |
| GRP Total | 50.24 | 47.17 | 46.77 | 41.94 |
| Direct | 30 | 29 | 31 | 28 |
| Allocated in | 20.24 | 18.17 | 15.77 | 13.94 |
| Highlands Total | 26.95 | 26.46 | 26.20 | 28.22 |
| Direct | 9 | 10 | 11 | 12 |
| Allocated in | 17.95 | 16.46 | 15.2 | 16.22 |
| Lake Conroe Total | 24.49 | 25.61 | 25.42 | 27.52 |
| Direct | 15 | 15 | 15 | 14 |
| Allocated out | -1.52 | -1.59 | -1.88 | 0.35 |
| Allocated in | 11.01 | 12.2 | 12.3 | 13.87 |
| RW Supply Total | 2.30 | 3.50 | 3.96 | 1.80 |
| Direct | 0 | 0 | 0 | 0 |
| Allocated in | 2.3 | 3.5 | 3.96 | 1.8 |
| Woodlands Total | 67.55 | 67.60 | 66.06 | 65.33 |
| Direct | 42 | 42 | 42 | 41 |
| Allocated in | 25.55 | 25.6 | 24.06 | 24.33 |
| G&A (net of Allocations) | 8.78 | 8.43 | 8.34 | 7.80 |
| Accounting | 9 | 9 | 9 | 10 |
| Admin Projects * | 1 | 1 | N/A | N/A |
| Admin Services | 6 | 6 | 7 | 6 |
| HR | 7 | 7 | 6 | 4 |
| IT | 12 | 12 | 12 | 12 |
| Public Comm. | 2 | 2 | 2 | 2 |
| Purchasing | 5 | 5 | 5 | 5 |
| Risk Mgmt. ** | N/A | N/A | N/A | 2 |
| SCADA/I&C | 14.5 | 14 | 13 | 14.5 |
| Senior Management | 4 | 4 | 5 | 5 |
| Tech Services | 24.5 | 23 | 22 | 20 |
| Allocated out | -76.22 | -74.57 | -72.66 | -72.70 |
| Total SJRA | 181.0 | 179.0 | 180.0 | 176.5 |

* Administrative Projects existed only for FY 2017 to FY 2018

** Risk Management and HR were combined from FY 2017 to FY 2019

D. How many temporary or contract employees did your agency have in fiscal year 2018? Please provide a short summary of the purpose of each position, the amount of expenditures per contract employee, and the procurement method of each position.

SJRA had no contract employees and two temporary employees during FY 2018. Both employees were hired from a staffing agency, on a temp-to-hire basis, to fill a vacant Administrative Assistant 2 position within the Woodlands Division. The first of the two temporary employees did not meet the expectations for the position. The second temporary employee was eventually hired as a direct SJRA employee. Total expenditures for the first and second temporary employees were \$13,709.75 and \$14,495.72, respectively. In FY 2018, SJRA utilized a competitively-bid, existing agreement with an external staffing services provider that was selected through SJRA’s regular procurement processes.

E. List each of your agency’s key programs or functions, along with expenditures and FTEs by program.

**San Jacinto River Authority
List of Program Direct and Allocated FTEs and Expenditures — Fiscal Year 2018**

| Program | Actual FTEs FY 2018, on August 31, 2018 | Budgeted FTEs FY 2019 | Actual Expenditures FY 2018 | Budgeted Expenditures FY 2019 |
|----------------------------------------|-----------------------------------------------|--------------------------|--------------------------------|-------------------------------------|
| Flood Management | 0.84 | 2.65 | \$150,015 | \$179,815 |
| General and Administration | 7.58 | 8.34 | 689,879 | 943,124 |
| Groundwater Reduction Plan Division | 44.62 | 46.77 | 4,764,748 | 5,330,517 |
| Highlands Division | 22.66 | 26.20 | 2,540,625 | 3,071,345 |
| Lake Conroe Division | 24.07 | 25.41 | 2,443,290 | 2,834,220 |
| Raw Water Supply | 1.79 | 3.96 | 223,535 | 466,794 |
| Woodlands Division | 65.22 | 66.06 | 6,601,014 | 7,196,890 |
| Bear Branch | 0.22 | 0.61 | 22,384 | 24,135 |
| TOTAL | 167 | 180 | \$17,435,492 | \$20,046,841 |

VII. Guide to Agency Programs – Highlands Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Highlands Division – Part of the Raw Water Enterprise; Raw Water Supply and Conveyance

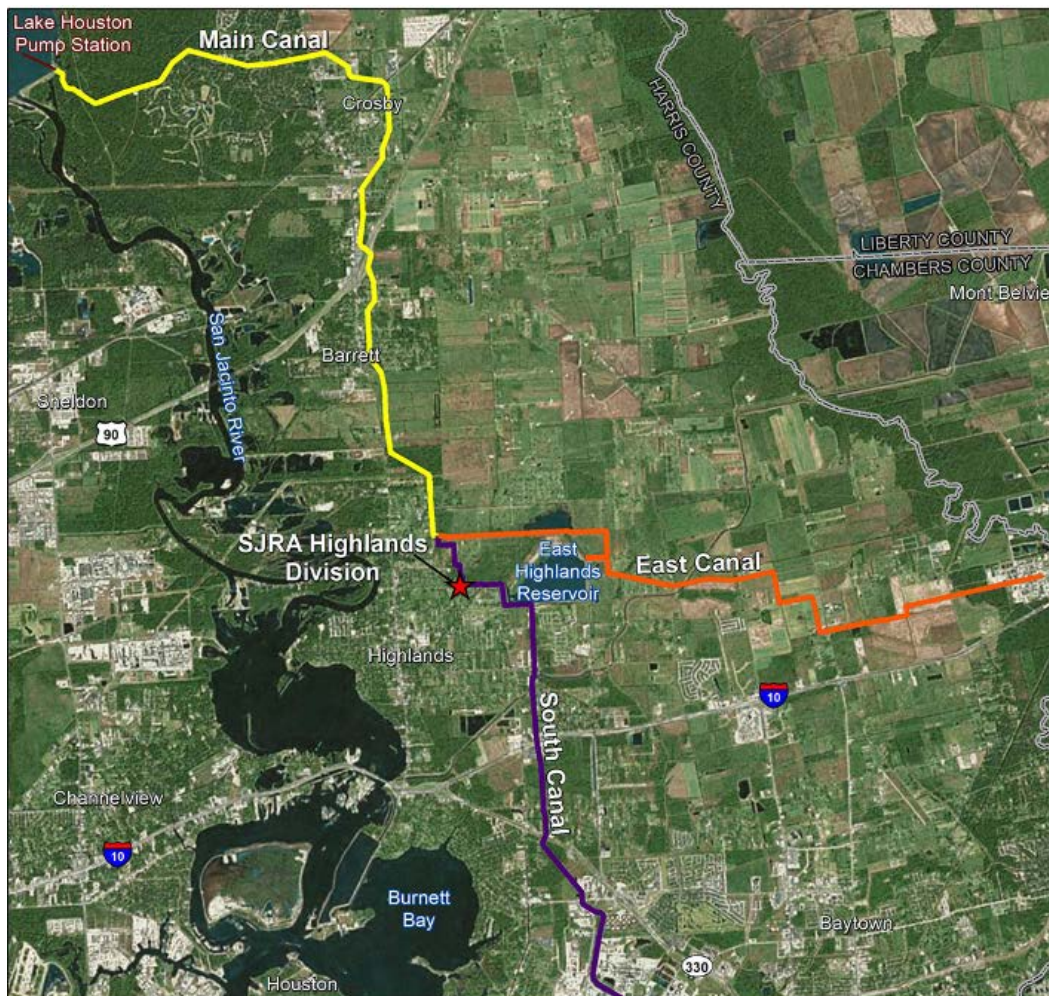
Location/Division: Highlands Division Office - Highlands, Texas

Contact Name: Kim Wright, Highlands Division Manager; Chuck Gilman, P.E., Director of Water Resources and Flood Management

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

Utilizing water rights issued by the TCEQ, the Highlands Division pumps and conveys raw surface water in the San Jacinto River Basin and Trinity River Basin to municipal, industrial, and agricultural customers in east Harris County.



- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.**

**San Jacinto River Authority
Program Statistics and Performance Measures⁽¹⁾ — Fiscal Year 2018**

| Program Statistics or Performance Measures | Dataset Reference Number* (if applicable) | Calculation (if applicable) | FY 2018 Target | FY 2018 Actual Performance | FY 2018 % of Annual Target |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Monitor and control expenses | N/A | N/A | 90% | 100% | 100% |
| Complete required scheduled preventative maintenance in the month it is scheduled. | N/A | N/A | 90% | 71% | 99.8% |
| Inspect all operating equipment, read and record values for all flow and equipment usage meters on a daily basis and adjust pumps as required. | N/A | N/A | 100% | 100% | 100% |
| Capture meter readings and report monthly customer water usage. | N/A | N/A | 100% | 100% | 100% |

(1) Sample Key Performance Indicators (KPIs). For complete list of KPIs see Highlands Division Business Plan and updated KPI Metrics (*See Supplemental Attachments/7 Highlands Division/7C1 HD KPI and 7C2 HD Business Plan*).

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.**

During the early 1940's, the Federal Works Agency built an extensive supply system to supply water to the war industry in the Houston Ship Channel area. Consisting of a pumping station on the lower reach of the San Jacinto River and raw water canals on both sides of the river, water was delivered to Humble Oil and Refining's Baytown refinery, as well as to other important industries to support the efforts of World War II. To assist in this effort, the SJRA Board of Directors passed a resolution on June 4, 1943, assigning to the Federal Works Agency all of the Authority's water rights for the duration of the war and twelve months thereafter. In return, the Authority received \$1.00 per year, and all water rights were to be returned at the end of the designated period. After the war, the City of Houston, the Federal Works Agency, and the SJRA reached an agreement, and on April 25, 1945, the Authority purchased the portion of the canal on the east side of the San Jacinto River, and the City of Houston purchased the canal on the west side.

The SJRA began its first steps in the water business with a canal system and reservoir in Highlands, Texas. Shortly after acquiring the canal system, contracts were signed with Humble Oil

(ExxonMobil Corporation today) to provide 20 million gallons of water per day to their Baytown refinery and soon began to provide irrigation water for up to 5,000 acres of rice, soybeans, and grass farms in the northeastern part of Harris County.

- E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.**

None

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

Today, the Highlands Division maintains and operates a pump station on Lake Houston, a canal system running from Lake Houston to a 1,400-acre reservoir in the Highlands area, two transfer pump stations, and additional canals running from the reservoir east to Chevron Phillips Chemical Company Refinery and south to ExxonMobil Corporation's Baytown refinery. A number of municipal customers purchase raw water from the canal, including Crosby, Newport, and Barrett Station. Rice farming has all but disappeared in the area, but several commercial nurseries and large grass farms rely on the SJRA for raw water, and industrial users purchase over 80 million gallons of water per day from our canal system. With over 25 miles of canal to maintain, 60-plus road crossings, three pump stations, and industrial customers that require uninterrupted water supply, the Highlands Division operates 24/7, 365 days a year.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

No state appropriations are received.

As part of the Raw Water Enterprise, Highlands Division operations are supported through the sale of raw water. SJRA has also been awarded grants for specific projects from the Texas Water Development Board and Texas Parks and Wildlife.

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

The Coastal Water Authority (CWA) provides a similar service to other contract customers in Harris County. CWA owns and operates a separate raw water canal system in Harris County that delivers raw surface water to municipal, industrial, and agricultural customers. However, SJRA and CWA have agreed on service areas in Harris County that do not overlap. Therefore, the

services provided to customers contracted with SJRA are not duplicated by any other agency in Harris County.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

On May 27, 1944, the City of Houston and the SJRA signed an agreement mutually agreeing that the City will not object to the SJRA selling, serving, and distributing water to the industries and other users and consumers of water generally in that area of Harris County which lies east of the San Jacinto River on the north side of the Houston Ship Channel only, and that the City will not sell, serve, or distribute water to any such customers in said area, either directly or indirectly. Similarly, the SJRA agreed to not object to the City selling, serving, and distributing water to all industries and other users and consumers of water generally in all areas of Harris County west of the Sand Jacinto River, both north and south of Buffalo Bayou and south of the Houston Ship Channel, and that the Authority will not sell, serve or distribute water to any customers, either directly or indirectly, in such area; provided, however, that the City will not object to the Authority transporting and constructing canals and other facilities necessary for transporting water across that portion of Harris County south of Buffalo Bayou which may be necessary for the purpose of serving water customers or industries in Galveston County.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

The Coastal Water Authority (CWA) owns, operates, and maintains a water conveyance system consisting of pump stations, canals, underground pipelines, siphons, and related appurtenances for delivering water from the Trinity River to the City of Houston, pursuant to the city's water rights and permits. The CWA canal system intersects the SJRA canal at two different locations in Harris County. In May 1998, SJRA and CWA executed a Memorandum of Understanding acknowledging SJRA's one-time capital recovery fee paid by SJRA in exchange for conveying and transporting SJRA's water in the Trinity River Basin through CWA's canal system.

- K. If contracted expenditures are made through this program please provide**

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the operation and maintenance needs of the Highlands Division.

- **the amount of those expenditures in fiscal year 2018;**

\$9,446,320 – this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

31 – this number reflects the number of purchase orders (POs) initiated in FY 2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award will be based on consultant qualifications, and construction projects will be procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA’s purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|--------------------------|---------------------------------------|--------------------|
| 1 | LECON INC. | South Canal Improvements | \$ 5,979,696.76 |
| 2 | C3 CONSTRUCTORS | South Canal Pump Station Improvements | \$ 735,865.56 |
| 3 | COASTAL WATER AUTHORITY | Water Conveyance | \$ 128,262.12 |
| 4 | TEXAS WATER ENGINEERING | General Engineering Services | \$ 127,148.75 |
| 5 | CAVALLO ENERGY TEXAS LLC | Electric Utilities | \$ 120,141.37 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Division Manager is responsible for the development of the 10-year project plan and annual budget, obtaining Board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within Board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the

division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA's professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA's standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**

- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

N/A

VII. Guide to Agency Programs – Lake Conroe Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Lake Conroe Division – Part of the Raw Water Enterprise; Watershed Protection and Reservoir Operations

Location/Division: Lake Conroe Division Offices – Conroe, Texas

Contact Name: Bret Raley, Lake Conroe Division Manager; Chuck Gilman, P.E., Director of Water Resources and Flood Management

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

Reservoir Operations: Lake Conroe is a water supply reservoir co-owned by the SJRA and the City of Houston that stores water for municipal and industrial uses. The TCEQ issued a Certificate of Adjudication in 1987 that allows the SJRA to impound up to 430,260 acre feet of water. Normal pool elevation in Lake Conroe is 201' above mean sea level (msl).

Although Lake Conroe is a water supply reservoir, a flowage easement around the reservoir allows stormwater draining from the watershed upstream of the dam to be temporarily stored in the reservoir up to elevation 207' msl. Five tainter gates at the Lake Conroe Dam are operated by SJRA to allow for the controlled release of water, thereby reducing downstream flows in the West Fork of the San Jacinto River during a storm event. The tainter gates are operated to safely pass all storm events, including the Probable Maximum Flood, protect the integrity of the dam, and reduce downstream flows in the West Fork of the San Jacinto River. A network of radio-telemetric weather stations, which span a multi-county area around Lake Conroe to provide informative real-time hydrologic information, is used by gate operators in their decision-making processes.

SJRA is also responsible for invasive species management. Invasive aquatic plants can have a variety of negative impacts on a water body including diminishing fishery and wildlife resources and limiting recreational activities, such as fishing and hunting. The Lake Conroe Division utilizes integrated pest management techniques to control nuisance invasive species by chemical, biological, and mechanical methods. Personnel have also worked diligently to re-establish native vegetation in the reservoir.

The Lake Conroe Division assists in protecting Lake Conroe's water quality through the implementation of the Lake Conroe Watershed Protection Plan. The Plan identifies management strategies that outline and address both existing and future water quality problems emanating from point and non-point sources of pollution.

The SJRA Board of Directors has, over the years, adopted various [rules and regulations](#) related to Lake Conroe. The rules are generally intended to ensure the safety and security of the public and relate to vessels on the reservoir, public access, recreational use of SJRA land around the reservoir, firearms and hunting, private structures and encroachments on the reservoir, water quality, abandoned property, commercial operations on the reservoir, and the use of water from the reservoir. The Lake Conroe Division has an interlocal agreement with Montgomery County Constable Precinct 1 to provide law enforcement services on the reservoir, including enforcement of SJRA's rules and regulations.



[Licensing and Permitting:](#) To ensure that Lake Conroe is a safe and accessible recreational destination for the public, the Authority maintains approval processes that regulate all construction along the shoreline and in the reservoir, commercial businesses that operate on the reservoir, and special events on the reservoir within SJRA's authority and jurisdiction. Staff help administer, maintain, and communicate these processes and procedures with the public.

The Division is also responsible for administering SJRA's [On-Site Sewage Facility \(OSSF\) Order](#) as approved by the Board of Directors and the TCEQ. Responsibilities include but are not limited to permitting, inspections, and complaint follow-up, resolution, and documentation.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed in Page 13 unless necessary to understand the program or function.**

**San Jacinto River Authority
Program Statistics and Performance Measures ⁽¹⁾ — Fiscal Year 2018**

| Program Statistics or Performance Measures | Dataset Reference Number* (if applicable) | Calculation (if applicable) | FY 2018 Target | FY 2018 Actual Performance | FY 2018 % of Annual Target |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| The percentage of events for which water release, operating, and elevation and discharge data is transferred to permanent records each month. | N/A | N/A | 100% | 100% | 100% |
| The percentage of all maintenance work orders that are completed by the completion date and in EAM. | N/A | N/A | 70% | 95% | 95% |
| The percentage of time that construction permits are issued within five days of Manager's approval each month | N/A | N/A | 90% | 93% | 93% |
| The percentage of time that all OSSF complaints are investigated within 30 days of receiving notice of the issue. | N/A | N/A | 90% | 90% | 90% |

(1) Sample Key Performance Indicators (KPIs). For complete list of KPIs see Lake Conroe Division Business Plan and updated KPI Metrics (*See Supplemental Attachments/7 Lake Conroe Division/7C1 LC KPI and 7C2 LC Business Plan*).

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

The response in Section III sufficiently describes the history of this program.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

Reservoir Operations: None

Licensing and Permitting: In order to conduct business on the Lake Conroe reservoir as a commercial venture, the business must be licensed with the SJRA. In order to license with the SJRA, the commercial venture must provide and maintain an appropriate insurance policy for the business and list SJRA as the co-insured. This is required in order to protect not just the SJRA from liability but also members of the public who utilize these businesses.

The SJRA has given individual homeowners the option to conduct their own maintenance on their personal On-Site Sewage Facility. In order to be able to provide this service, the homeowner is required to take a course approved by SJRA and TCEQ for maintenance of an aerobic treatment unit. Once the course has been completed, the homeowner must provide SJRA with the

certificate of completion. At that time, SJRA will allow the homeowner to conduct maintenance on the homeowner’s personal On-Site Sewage Facility.

| | |
|-------------------------------------------------------------------------------------|--------------|
| Total On-Site Sewage Facility Aerobic Treatment Units | 1,703 |
| Total On-Site Sewage Facilities maintained by licensed maintenance providers | 1,682 |
| Total On-Site Sewage Facilities maintained by homeowners | 21 |

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

Reservoir Operations: The Lake Conroe Division operates and maintains the dam and reservoir in accordance with TCEQ’s Rules and Regulations (TAC §30, Chapter 299), most importantly, the TCEQ-approved Emergency Action Plan for the Lake Conroe Dam, which includes the SJRA’s Gate Operations Policy. SJRA also utilizes an Operations and Maintenance Manual developed by a licensed professional engineer that includes operational guidelines, maintenance activities, and schedules for each element of the dam.

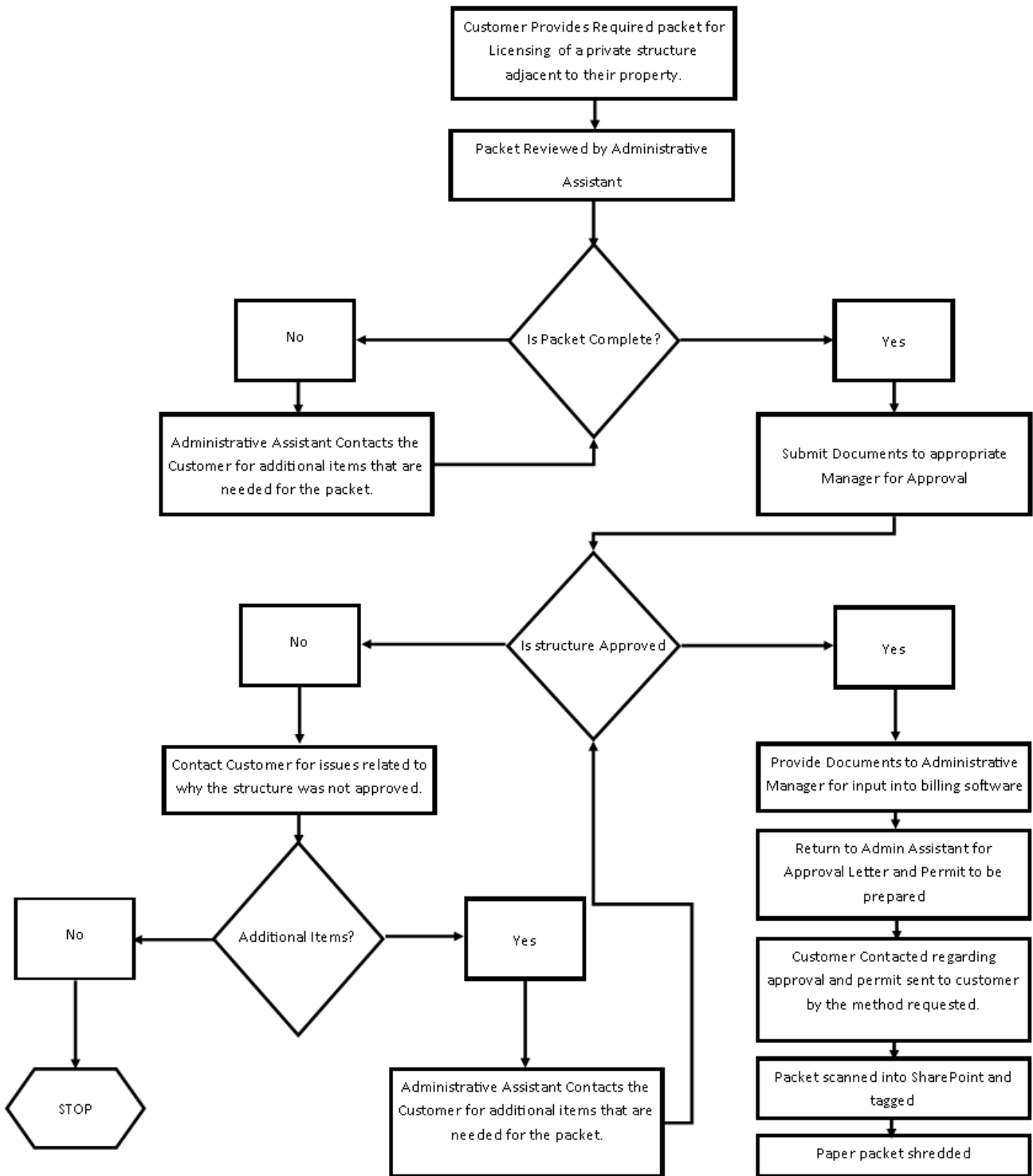
Five tainter gates at the Lake Conroe Dam are operated by SJRA to allow for the controlled release of water, thereby reducing downstream flows in the West Fork of the San Jacinto River during storm events. The tainter gates are operated to safely pass all storm flows, including the Probable Maximum Flood, protect the integrity of the dam, and reduce downstream flows in the West Fork of the San Jacinto River.

The Lake Conroe Division maintains a network of radio-telemetric weather stations to aid in decision making for conducting gate operations at the Lake Conroe Reservoir. The stations are regularly inspected and calibrated as needed.

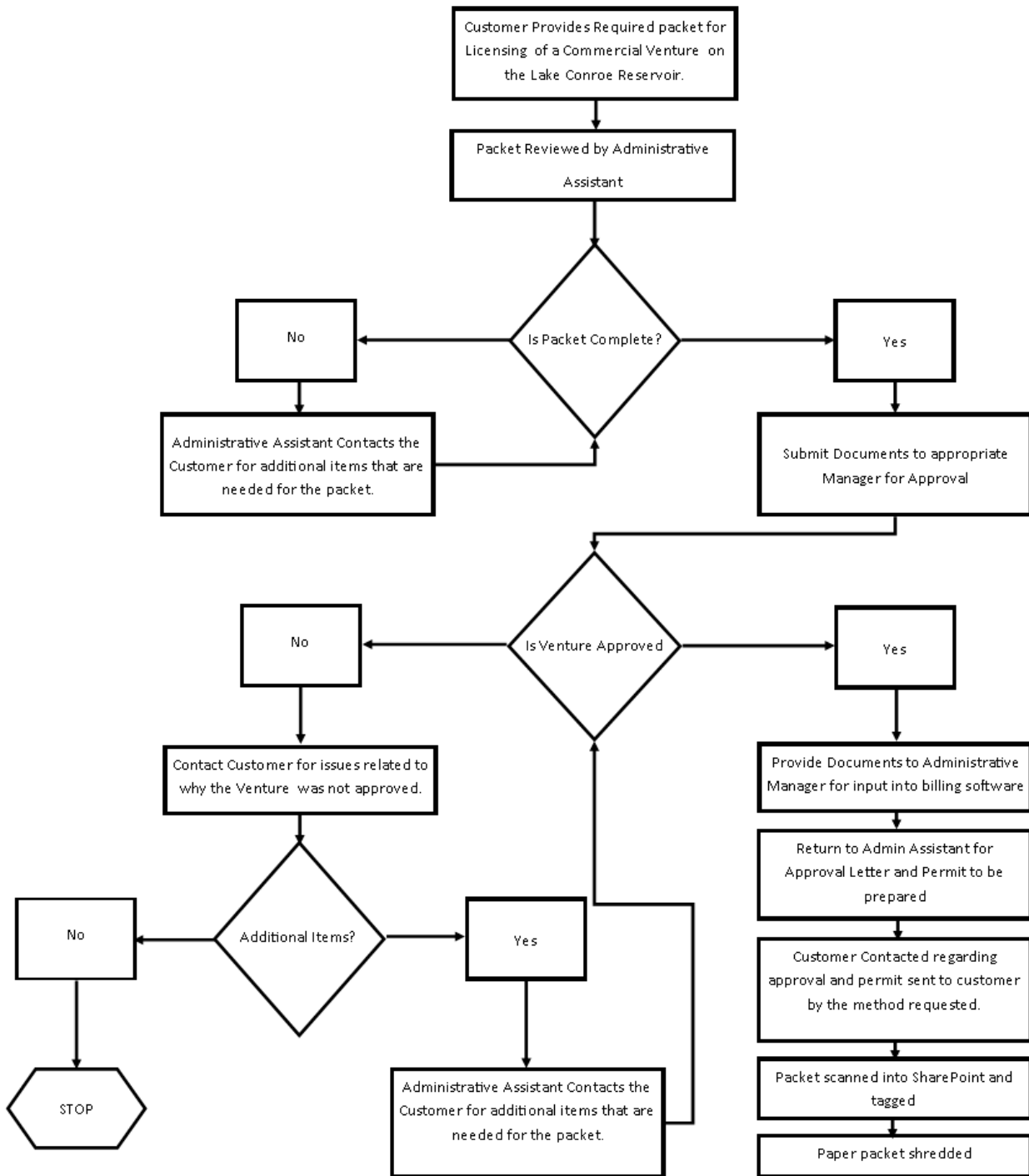
Lake Conroe staff conducts field surveys of the reservoir to identify invasive species. Treatment proposals are developed and submitted to the Texas Parks and Wildlife Department in order to obtain permission to treat the identified species in accordance with the Lake Conroe Aquatic Vegetation Management Plan.

Licensing and Permitting: The Lake Conroe Division is responsible for regulating and licensing various activities on Lake Conroe including, but not limited to, commercial operations (marinas, boat/personal watercraft rentals, construction, and any other businesses on the reservoir), residential operations (private residential docks, boat slips, and any other private operations on the reservoir), and On-Site Sewage Facilities within 2,075 feet from the 201’ msl contour line. Below, are flow charts for the Residential, Commercial, and On-Site Sewage Facility programs and the approval processes for each.

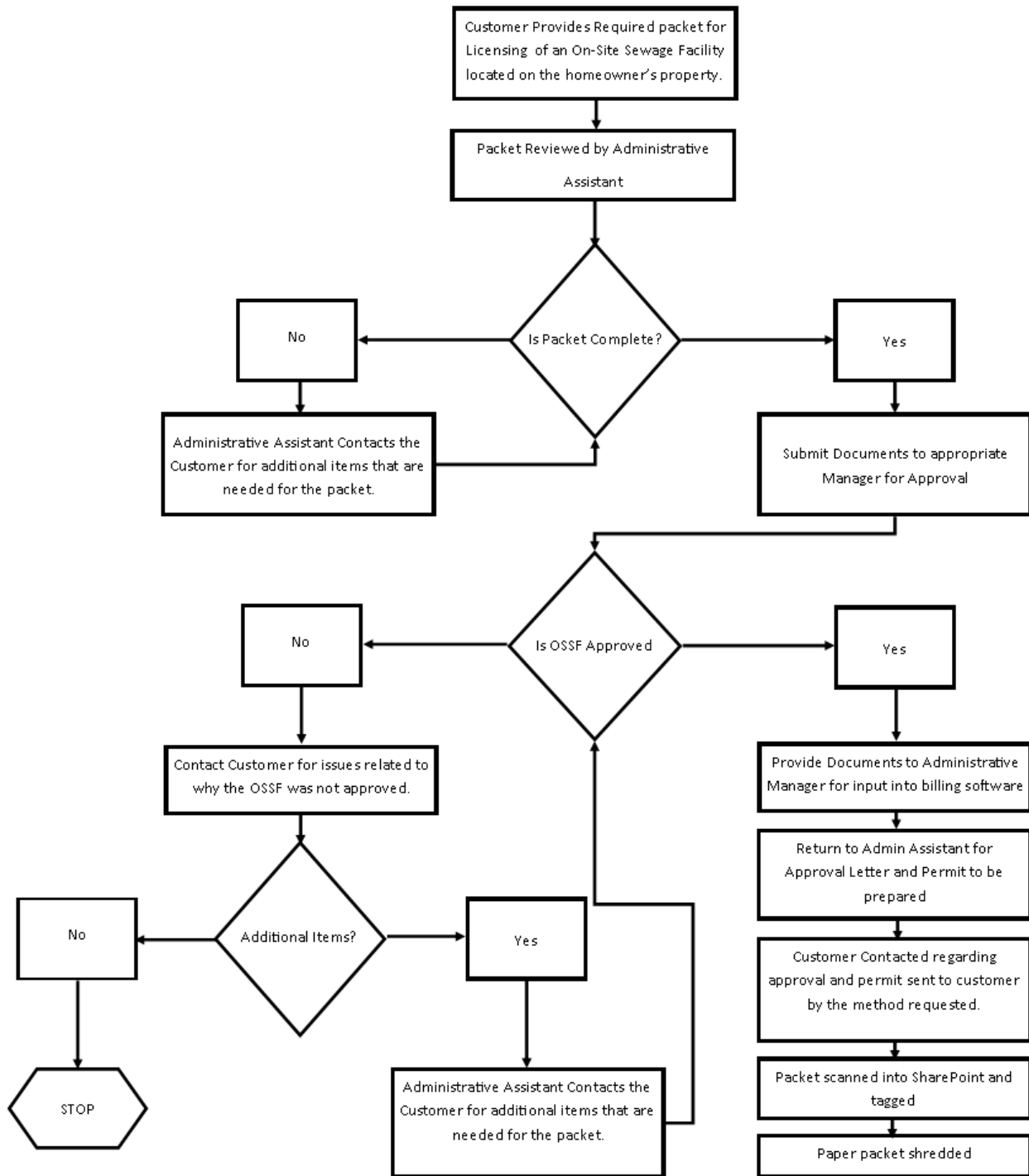
Residential Approval Process



Commercial Venture Approval Process



On-Site Sewage Facility Approval Process



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

No state appropriations are received.

Reservoir Operations: As part of the Raw Water Enterprise, the Lake Conroe Division’s reservoir operations are supported primarily through the sale of raw water and funds received from the City of Houston, a two-thirds owner of the water in the reservoir. SJRA has also been awarded grants for specific projects from the Texas Water Development Board and Texas Parks and Wildlife Department.

Licensing and Permitting: Additional fees to support the division are derived through our licensing and permitting programs for Lake Conroe. Below is the current rate schedule for fees related to the Lake Conroe reservoir adopted by the SJRA Board of Directors.



San Jacinto River Authority

Lake Conroe Division
P.O. Box 329 · Conroe, Texas 77305
(T) 936.588.1111 · (F) 936.588.1114

Rate Schedule for Fees Related to the Lake Conroe Reservoir

| Activity | Approved Rate |
|---------------------------------------------------------|------------------------------------------------------------------------------|
| Residential Structure Fee | \$0.188 Per Square Foot/Per Year \$60.00 Minimum Per Year |
| Residential Lawn Irrigation Fee With Annual Contract | \$150.00 Per Year |
| Commercial Operations or Business License Fee | \$375.00 Per Year |
| Commercial Structure Fee Commercial Lease Fee | \$0.375 Per Square Foot/Per Year |
| Commercial Barge/Party Boat Fee | \$250.00 Per Barge/Party Boat/Per Year |
| Commercial Vessel Fee | \$100.00 Per Vessel/Per Year |
| On-Site Sewage Facility Construction Fee | \$300.00 One Time Fee |
| On-Site Sewage Facility Re-Inspection Fee | \$260.00 Prior to Re-Inspection of Facility (e.g. A change to the system) |

* Adopted by the SJRA Board of Directors 9/1/2010

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

Reservoir Operations: SJRA is the sole operator of the Lake Conroe dam and reservoir.

Licensing and Permitting: SJRA is the sole provider of permitting for structures and commercial businesses on the Lake Conroe reservoir.

OSSF permits are provided to individual homeowners by SJRA within 2,075 feet of the 201' msl contour line of Lake Conroe. Beyond the 2,075 foot boundary, TCEQ has delegated authority to Montgomery and Walker Counties.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

Reservoir Operations: The Coastal Water Authority (CWA) operates and maintains the Lake Houston reservoir and dam in Harris County. Also, the United States Army Corps of Engineers provides reservoir operations for two flood control reservoirs in Harris County – Addicks Reservoir and Barker Reservoir. Although the San Jacinto River basin extends south into Harris County before reaching the Gulf of Mexico, Harris County is excluded from SJRA's jurisdiction. Therefore, there is no conflict or duplication, just regular coordination with each entity.

SJRA and Harris County Flood Control District (HCFCD) both operate and maintain a network of radio-telemetric weather stations to aid in decision making for Lake Conroe operations and coordination with local Offices of Emergency Management. The two agencies cooperate and share data from their individually-owned weather stations, as well as utilize USGS stream gauges to support operations.

Licensing and Permitting: In 2015, the Lake Conroe Division presented the Board of Directors with proposed amendments to the order for On-Site Sewage Facilities within 2,075 feet of the 201' msl contour line. The TCEQ approved the amended order and returned documentation to SJRA. At the December 10, 2015, Board of Directors meeting, the board moved to finally approve the amended order and placed it in effect immediately. The amended order allows for SJRA to be more in line with Montgomery and Walker County's orders, as well as allowing more stringent rules to be enforced.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Reservoir Operations: Although Harris County is not within SJRA's jurisdiction, regular coordination between SJRA, the City of Houston, CWA, Montgomery County Office of Emergency Management, Harris County Office of Emergency Management, and HCFCD occurs during rainfall

events that result in water releases from Lake Conroe. Local Offices of Emergency Management then make decisions relating to road closures and evacuations.

Licensing and Permitting: The TCEQ is the agency in the State of Texas tasked with providing a set of standards (Rules and Regulations) for On-Site Sewage Facilities. In November 1970, the Texas Water Quality Board, now the TCEQ, granted the SJRA the status of Authorized Agent for On-Site Sewage Facilities within 2,075 feet of the 201’ msl contour line on Lake Conroe. The Lake Conroe Division has been tasked with reviewing, approving, and monitoring these On-Site Sewage Facilities, as well as any complaints related to failures of the facilities.

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the needs of the Lake Conroe Division.

- **the amount of those expenditures in fiscal year 2018;**

\$2,252,488 – this amount reflects total expenditures excluding salaries and benefits, intercompany, debt related expenses and depreciation.

- **the number of contracts accounting for those expenditures;**

28 – this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award will be based on consultant qualifications, and construction projects will be procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA’s purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|----------------------------------------|-----------------------------|--------------------|
| 1 | HALFF ASSOCIATES, INC. | Flood Protection Plan | \$ 339,331.66 |
| 2 | MONTGOMERY COUNTY, TEXAS | Patrol Services | \$ 224,911.91 |
| 3 | DESHAZO, LLC | Dam Gate Hoist Rehab | \$ 213,125.74 |
| 4 | LEWIS BRISBOIS BISGAARD AND SMITH, LLP | Hurricane Harvey Litigation | \$ 190,396.24 |
| 5 | BANK OF AMERICA PCARD | P-Card | \$ 154,761.07 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Division Manager is responsible for the development of the 10-year project plan and annual budget, obtaining Board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within Board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital-related projects, SJRA's professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA's standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program’s performance, including any or ineffective state laws? Explain.

The Authority periodically receives requests for copies of the Lake Conroe Emergency Action Plan (EAP). The Attorney General has previously issued an opinion (OR2017-08347) stating that public release of the EAP “would identify the technical details of particular vulnerabilities of the dam to an act of terrorism.” The Attorney General’s opinion goes on to state that “the authority must withhold the [EAP] under section 552.101 of the Government Code in conjunction with section 418.181 of the Government Code [the Texas Homeland Security Act].” Despite the Attorney General’s clear ruling that the EAP must not be released to the public, the Authority must still expend tremendous amounts of time and money arguing the confidentiality of the document each time a separate request is submitted. The Authority, and other reservoir owners in Texas, would benefit greatly from a clear policy decision by the legislature stating that emergency action plans are not subject to release due to their confidential nature and that no additional legal actions are necessary to protect such documents from disclosure.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

Residential Licensing Program:

• **why the regulation is needed:**

Lake Conroe Rules and Regulations require that prospective permittees of private facilities on Lake Conroe obtain a permit and maintain an annual license with the Authority. The regulations assist in protecting the health and safety of the public by incorporating provisions for safe navigation, including the distance a private structure may extend into the reservoir.

• **the scope of, and procedures for, inspections or audits of regulated entities:**

Administration of the Residential Licensing Program includes permit application review, construction permit issuance, facility inspection (non-engineering), assessment of annual licensing fees, and enforcement measures.

• **follow-up activities conducted when non-compliance is identified:**

Upon discovery of any violation of the Lake Conroe Reservoir Rules and Regulations, SJRA staff will perform a field investigation of the structure and inform the permittee of the violations. Failure to correct a violation will subject the permittee to enforcement measures.

• **sanctions available to the agency to ensure compliance:**

Any person violating or failing to comply with the Lake Conroe Rules and Regulations may be subject to a penalty of not more than \$500.00 per day. Each day the violation continues shall constitute a separate offense. SJRA may also seek and obtain injunctive

relief or any other remedy in law or equity at any time against any person allegedly violating the Lake Conroe Rules and Regulations.

- **procedures for handling consumer/public complaints against regulated entities:**

Most violations are received as an inquiry or concern by the general public. If appropriate, staff will respond by performing a field inspection of the facility. Once the field inspection is completed, staff will contact the licensee and provide guidance as to any corrective actions that may be required.

Commercial Licensing Program:

- **why the regulation is needed:**

All entities doing business on Lake Conroe must obtain a permit and maintain an annual license and lease (if applicable) pursuant to the Lake Conroe Reservoir Rules and Regulations. The regulations assist in protecting the health and safety of the public by maintaining buffers between adjoining property owners and by incorporating provisions for safe navigation, including regulating the distance a commercial structure may extend into the reservoir.

- **the scope of, and procedures for, inspections or audits of regulated entities:**

Administration of the Commercial License Program includes permit application review, construction permit issuance, facility inspection (non-engineering), and assessment of annual license and lease (if applicable) fees and enforcement.

- **follow-up activities conducted when non-compliance is identified:**

Upon discovery of any violation of the Lake Conroe Reservoir Rules and Regulations, SJRA staff will perform a field investigation. If a violation is found, staff will inform the permittee of the violation and provide a time frame for which the permittee may respond to or correct the violation. Failure to correct such violation within the time period allotted will subject the permittee to enforcement.

- **sanctions available to the agency to ensure compliance:**

Any person violating or failing to comply with the Lake Conroe Rules and Regulations may be subject to a penalty of not more than \$500.00 per day. Each day the violations continues shall constitute a separate offense. SJRA may also seek and obtain injunctive relief or any other remedy in law or equity at any time against any person allegedly violating the Lake Conroe Rules and Regulations.

- **procedures for handling consumer/public complaints against regulated entities:**

Most violations are received as an inquiry or concern by the general public. If appropriate, staff will respond by performing a field inspection of the facility. Once the field inspection is completed, staff will contact the licensee and provide documentation for correction of the violation, if one is found.

Residential On-Site Sewerage Facility Program:

- **why the regulation is needed:**

Lake Conroe is a water source used to supplement groundwater to satisfy drinking water demands in Montgomery County, Texas. Lake Conroe is also heavily used by the public for contact recreational purposes. Failing OSSF systems along the shoreline of Lake Conroe could jeopardize the quality of water in Lake Conroe and potentially put the public at risk. The SJRA has been granted authority by TCEQ to regulate OSSFs within 2,075 feet of the 201' msl contour line of Lake Conroe. As such, SJRA has adopted rules and regulations that are even more stringent than the minimum standards currently required under TCEQ statewide rules. The additional requirements in SJRA's OSSF Order are generally related to the construction of OSSFs within a floodplain, use of water conservation plumbing fixtures, and use of licensed maintenance providers for Aerobic Treatment Units.

- **the scope of, and procedures for, inspections or audits of regulated entities:**

Administration of the On-Site Sewerage Facility Program includes permit application review, construction permit issuance, facility inspection by a Designated Representative, license issuance, random inspections of the systems, and enforcement.

- **follow-up activities conducted when non-compliance is identified:**

Upon discovery of any violation of SJRA's On-Site Sewerage Facility Order, SJRA staff will perform a field investigation of the facility and inform the permittee of the violations and provide a timeframe within which the violator must respond to or correct such violation. Failure to correct such violation within the time period will subject the permittee to enforcement.

- **sanctions available to the agency to ensure compliance:**

Any person violating or failing to comply with the TCEQ Rules or SJRA's On-Site Sewerage Facility Order may be subject to a penalty of not more than \$500.00 per day. Each day the violations continues shall constitute a separate offense. SJRA may also seek and obtain injunctive relief or any other remedy in law or equity at any time against any person allegedly violating the Lake Conroe Rules and Regulations.

- **procedures for handling consumer/public complaints against regulated entities:**

Most violations are received as an inquiry or concern by the general public. However, violations are also received via the required inspection report from the Licensed Maintenance Provider. If appropriate, staff will respond by performing a field inspection of the facility. Once the field inspection is completed, staff will contact the licensee and provide guidance as to any correction required.

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect your agency’s particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

It is the Authority’s practice to respond to and resolve each complaint that is received, and the Lake Conroe Division makes every effort to resolve complaints in a timely manner. However, during FY 2017 and FY 2018, the Lake Conroe Division did not have systems in place to electronically track the receipt and resolution of complaints within its Residential Licensing Program and its Commercial Licensing Program. Complaint statistics are tracked within the On-Site Sewage Facility Program as detailed in the respective table below.

**San Jacinto River Authority
Residential Licensing Program
Information on Regulated Persons or Entities
Fiscal Years 2017 and 2018**

| | Fiscal Year 2017 | Fiscal Year 2018 |
|---------------------------------------------------------------|------------------|------------------|
| Total number of regulated Structures | 4,104 | 4,181 |
| Total number of Structures approved during fiscal year | 103 | 77 |
| Total number of complaints received from the public | - | - |
| Total number of complaints Investigated | - | - |
| Number of complaints pending from prior years | - | - |
| Number of complaints found to be non-jurisdictional | - | - |
| Number of jurisdictional complaints found to be without merit | - | - |
| Number of complaints resolved | - | - |
| Average number of days for complaint resolution | - | - |
| Complaints resulting in disciplinary action: | - | - |

**San Jacinto River Authority
Commercial Licensing Program
Information on Regulated Persons or Entities
Fiscal Years 2017 and 2018**

| | Fiscal Year 2017 | Fiscal Year 2018 |
|---------------------------------------------------------------|------------------|------------------|
| Total number of regulated Marinas | 13 | 13 |
| Total number of regulated Licenses | 75 | 105 |
| Total number of businesses with regulated Vessels | 27 | 28 |
| Total number of Marinas approved during fiscal year | 0 | 0 |
| Total number of Licenses approved during fiscal year | 16 | 33 |
| Total number of complaints received from the public | - | - |
| Total number of complaints Investigated | - | - |
| Number of complaints pending from prior years | - | - |
| Number of complaints found to be non-jurisdictional | - | - |
| Number of jurisdictional complaints found to be without merit | - | - |
| Number of complaints resolved | - | - |
| Average number of days for complaint resolution | - | - |
| Complaints resulting in disciplinary action: | - | - |

**San Jacinto River Authority
On-Site Sewage Facility Program
Information on Regulated Persons or Entities
Fiscal Years 2017 and 2018**

| | Fiscal Year 2017 | Fiscal Year 2018 |
|---------------------------------------------------------------|------------------|------------------|
| Total number of regulated On-Site Sewage Facility Systems | 2,175 | 2,220 |
| Total number of On-Site Sewage Facility Systems Inspected | 660 | 839 |
| Total number of complaints received from the public | 146 | 73 |
| Total number of complaints Investigated | 146 | 73 |
| Number of complaints pending from prior years | 0 | 0 |
| Number of complaints found to be non-jurisdictional | 0 | 0 |
| Number of jurisdictional complaints found to be without merit | 0 | 0 |
| Number of complaints resolved | 146 | 73 |
| Average number of days for complaint resolution | 10 | 10 |
| Complaints resulting in disciplinary action: | 27 | 10 |

VII. Guide to Agency Programs – Raw Water Supply

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Raw Water Supply – Part of the Raw Water Enterprise; Long-range Water Supply Planning for the Region

Location/Division: G&A Office – Conroe, Texas

Contact Name: Chuck Gilman, P.E., Director of Water Resources and Flood Management

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Raw Water Enterprise consists of the Highlands and Lake Conroe Divisions including the revenues and expenses associated with the Authority's overall raw water supply system that are not otherwise divisible between the Highlands and Lake Conroe Divisions. Additionally, any remaining expenses from the General and Administration (G&A) Division that are not otherwise allocated to Woodlands, GRP, Flood Management, and Bear Branch are covered by Raw Water Supply revenues.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.

Program statistics and performance measures for the Lake Conroe Division and the Highlands Division are reported in previous sections of this self-evaluation report.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

The response in Section III sufficiently describes the history of this program.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

None

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The TCEQ issued Certificates of Adjudication or Water Rights Permits to SJRA allowing the river authority to impound, convey, and sell non-treated raw water. SJRA holds water rights in the Trinity River Basin, which are utilized exclusively by the Highlands Division, and water rights in the San Jacinto River Basin, which are utilized by the Lake Conroe Division and Highlands Division.

Municipal, industrial, commercial, and irrigation customers sign long-term water sale contracts with SJRA for the delivery of set quantities of water.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

Revenue to fund the Raw Water Enterprise is derived from the sale of non-treated, raw water for municipal, industrial, commercial, and irrigation purposes in Montgomery County and eastern Harris County.

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

None

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

SJRA submits a report to the TCEQ annually that details the amount of non-treated, raw water used or sold by SJRA for each of the water rights held by the Authority.

- K. If contracted expenditures are made through this program please provide**
- a short summary of the general purpose of those contracts overall;

The general purpose of contracts is to procure goods and services to support the needs of the Raw Water Enterprise.

- **the amount of those expenditures in fiscal year 2018;**

\$337,085 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

5 - this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award will be based on consultant qualifications, and construction projects will be procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA’s purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|--------------------------------------|------------------------------|--------------------|
| 1 | FREESE AND NICHOLS | Raw Water Supply Master Plan | \$ 120,144.18 |
| 2 | RAFTELIS FINANCIAL CONSULTANTS, INC. | Raw Water Rate Study | \$ 97,020.94 |
| 3 | SCHWARTZ PAGE & HARDING LLP | Legal Services | \$ 56,256.61 |
| 4 | LLOYD GOSSELINK ROCHELLE | Legal Services | \$ 50,211.64 |
| 5 | TCEQ | State Fees | \$ 6,700.00 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Director is responsible for the development of the 10-year project plan and annual budget, obtaining Board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within Board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the

division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA's professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA's standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

None

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

None

VII. Guide to Agency Programs – The Woodlands Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Woodlands Division; Wholesale treated drinking water supply and wastewater services

Location/Division: Woodlands Division Offices; 2436 Sawdust Road, The Woodlands, Texas 77380

Contact Name: Chris Meeks, Division Manager; Ronald Kelling, P.E., Deputy General Manager

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.



The objective of the Woodlands Division is to provide reliable wholesale water supply and wastewater treatment services to 11 Municipal Utility Districts in the Montgomery County portion of The Woodlands through thirty eight groundwater wells, five water plants, six elevated and eight ground storage tanks, potable water transmission system, thirty wastewater lift stations, a wastewater conveyance system, and three regional wastewater treatment plants. Major activities include operation, maintenance, repair, and renewal of the division's facilities and systems to provide these services while also maintaining compliance with all local, state, and federal rules and regulations. Activities related to the effective management of the division's assets follow the Woodlands Division Asset Management Plan.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.**

**San Jacinto River Authority
Program Statistics and Performance Measures ⁽¹⁾ — Fiscal Year 2018**

| Program Statistics or Performance Measures | Dataset Reference Number* (if applicable) | Calculation (if applicable) | FY 2018 Target | FY 2018 Actual Performance | FY 2018 % of Annual Target |
|-------------------------------------------------------------|--------------------------------------------------|------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Maintain consistent compliance with Safe Drinking Water Act | N/A | N/A | 100% | 99% | 99% |
| WWTF No. 1 Permit Compliance | N/A | N/A | 100% | 99.8% | 99.8% |
| WWTF No. 2 Permit Compliance | N/A | N/A | 100% | 99.9% | 99.9% |
| WWTF No. 3 Permit Compliance | N/A | N/A | 100% | 100% | 100% |

(1) Sample Key Performance Indicators (KPIs). For complete list of KPIs see Woodlands Division Business Plan and updated KPI Metrics (*See Supplemental Attachments/7 Woodlands Division/7C1 WO KPI and 7C2 WO Business Plan*).

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.**

The SJRA and The Woodlands Development Corporation executed an agreement in June 1975 in which the SJRA agreed to establish the Woodlands Division to construct, operate, and maintain a wholesale central water supply and waste disposal system to serve the Montgomery County portion of The Woodlands. Since that time, the SJRA has entered into individual contracts (including numerous supplements) for the financing, construction, and operation of water supply and waste disposal facilities with each of the following municipal utility districts: Montgomery County MUD Nos. 6, 7, 36, 39, 46, 47, 60, and 67, The Woodlands Metro MUD, The Woodlands MUD No 1, and Harris-Montgomery Counties MUD 386 (Montgomery County portion only).

- E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.**

None

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Woodlands Division is led, managed, and administered by the Division Manager. Water supply, wastewater treatment, maintenance (with collection and distribution systems), and administration are separate but coordinated functions whose staffs are led by supervisors who report to the Woodlands Division Manager. The staff follow all local, state, and federal rules and regulations related to public water supply and wastewater treatment, various standard operating procedures developed by the Woodlands Division, and professional/ethical requirements established by the entity which grants the licenses and certifications they hold. *(See Supplemental Attachments/7 Woodlands Division/7F1 and 7F2 for a sample of the Woodlands Division Standard Operating Procedures.)*

The Woodlands Division staff are supported by various G&A Departments. The Technical Services Department, which includes GIS (Geographic Information Systems), engineering, construction management, and inspection, provides functional support to the Woodlands Division through the Woodlands Division Engineer. The SCADA/I&C Department, which includes all SCADA/I&C system hardware, software, field instrumentation, and communications, provides functional support to the Woodlands Division through the SCADA/I&C Department Manager. Accounting, Purchasing, IT, HR, Communications, Risk Management, and Administrative Services provide support to the Woodlands Division through the managers of each of these G&A Departments.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

No state appropriations are received.

Funding for operations, maintenance, and pay-as-you-go repair and replacement projects is provided by the customer MUDs through user fees for water and wastewater services provided. The total amount of revenues generated from water and wastewater user fees in FY 2018 was \$39,356,579. Limited funding for remaining capacity-related projects was obtained through capital contributions in the amount of \$3,846,463 in FY 2018 made by some MUDs through the final round of capital planning and capacity purchases. Funding for the interceptor (grease) trap program is paid through fees totaling \$205,100 in FY 2018 for permitted facilities within the program. An industrial pretreatment program was formally initiated in FY 2019. Three major maintenance (renewal) projects are being funded with \$42.9 million in bonds for which the annual debt service is paid from revenue generated from user fees for the water and wastewater services provided.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There are no other programs that provide identical wholesale water supply and wastewater treatment services to the Montgomery County portion of The Woodlands. Retail water distribution and wastewater collection is provided to The Woodlands by the Woodlands Joint Powers Agency – the central management agency for Montgomery County MUD Nos. 6, 7, 36, 39, 46, 47, 60, and 67, The Woodlands Metro MUD, and The Woodlands MUD No 1 – and by the Harris-Montgomery Counties MUD 386, which is not a part of the WJPA umbrella. These 11 MUDs in The Woodlands own and are responsible for the operations, maintenance, and repair of all retail water lines smaller than 12 inches in diameter and all retail wastewater collection lines smaller than 15 inches in diameter. The SJRA Woodlands Division owns, operates, maintains, and repairs/renews all water wells, water plants, and water lines 12 inches in diameter and larger that supply water to the retail water system. The SJRA Woodlands Division owns, operates, maintains, and repairs/renews all wastewater collection lines 15 inches in diameter and larger, lift stations, force mains, and wastewater treatment plants that receive wastewater from the retail wastewater system.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Woodlands Division communicates and coordinates closely with the operators of the retail water and wastewater systems (the WJPA) on a daily basis to address any operational issues and avoid any duplication or conflict with each system.

The budget for each fiscal year and annual updates to the 10-year project plans are presented to the WJPA staff, WJPA Trustees (consisting of one appointed member of each of the 10 MUDs within the WJPA), and each Board of Directors of the 11 MUDs within The Woodlands for their review and approval. *See Supplemental Attachments/7 Woodlands Division/7I1_Budget Presentation* for sample budget presentation to customers in a posted, public meeting, *Supplemental Attachments/7 Woodlands Division/7I2_Ten Year Project Plan* for 10-year project plan summary book presented to customers, and *Supplemental Attachments/7 Woodlands Division/7I3_Ten Year Project Plan Presentation* for sample project plan presentation to customers in a posted, public meeting. A report summarizing the operations, status of projects, and financials is developed and provided to the WJPA Trustees and the 11 Boards of Directors during each of their respective monthly meetings. *See Supplemental Attachments/7 Woodlands Division/7I4_MUD Report_September 2018* for a sample of monthly reports for 2018. As previously noted, the terms and conditions of The Woodlands Division responsibility to these 11 MUDs are provided in the contracts (and numerous amendments and supplements).

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

See above.

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the needs of the Woodlands Division.

Purchased and contracted services include waste and sludge removal/disposal, meter calibration, commercial laboratory fees, groundwater conservation district fees, GRP pumpage and surface water fees, janitorial, stream gauging (USGS), and other specialty services that are routine in the operations and maintenance of a wholesale water supply and wastewater treatment system. Purchased and contracted supplies, materials, and utilities include purchases of chemicals, fuel and lubricants, electrical power, natural gas, and other commodities/supplies that are routine in the operations and maintenance of a wholesale water supply and wastewater treatment system. Contracted expenditures also include professional services (such as legal, engineering, surveying, geotechnical and other services) and construction services, all required for the planning and implementation of capital improvement and renewal (repair, replacement, and rehabilitation) projects.

- **the amount of those expenditures in fiscal year 2018;**

\$17,701,097 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

82 - this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award will be based on consultant qualifications, and construction projects will be procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA's purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|----------------------------------|----------------------------------------------------------|--------------------|
| 1 | INDUSTRIAL TX CORP | Wastewater Treatment Plant 2 Disinfection System Upgrade | \$ 4,327,427.00 |
| 2 | ENTERGY | Electric Utilities | \$ 2,608,279.29 |
| 3 | BLACK CASTLE GENERAL CONTRACTORS | Lift Station 5 Rehabilitation | \$ 770,515.55 |
| 4 | BANK OF AMERICA PCARD | P-Card | \$ 517,842.62 |
| 5 | BLACK CASTLE GENERAL CONTRACTORS | Lift Station 4 Rehabilitation | \$ 484,130.98 |

- **the methods used to ensure accountability for funding and performance;**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Division Manager is responsible for the development of the 10-year project plan and annual budget, obtaining Board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within Board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA’s professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA’s standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is

provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Industrial pretreatment and interceptor (grease and lint traps). The regulation is required per the Clean Water Act and 40 CFR 403 regulations. This regulation protects wastewater treatment facilities, utility employees, and the public from potential toxic pollutants in waste streams. The SJRA utilizes TCEQ-approved standard operating procedures for regulated entity inspections. Inspections are required annually and can be announced or unannounced. Procedures to be followed are detailed in the "Standard Operating Procedures for Industrial Site Inspections." When non-compliance is identified, an inspection, follow-up inspection, or violation procedures are followed. These procedures are identified in the TCEQ-approved SOPs for Industrial Site Inspections, Follow-up Tasks to

Site Inspections, and Enforcement Response Plan. Sanctions are available in the Enforcement Response Plan and the Pretreatment Order.

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect your agency’s particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

**San Jacinto River Authority
Interceptor Program (Grease and Lint Traps)
Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2017 and 2018**

| | Fiscal Year 2017 | Fiscal Year 2018 |
|---------------------------------------------------------------|------------------|------------------|
| Total number of regulated persons | N/A | N/A |
| Total number of regulated entities | 388 | 465 |
| Total number of entities inspected | 388 | 465 |
| Total number of complaints received from the public | N/A | N/A |
| Total number of complaints initiated by agency | N/A | N/A |
| Number of complaints pending from prior years | 0 | not tracked |
| Number of complaints found to be non-jurisdictional | 0 | not tracked |
| Number of jurisdictional complaints found to be without merit | N/A | N/A |
| Number of complaints resolved | N/A | N/A |
| Average number of days for complaint resolution | N/A | N/A |
| Complaints resulting in disciplinary action: | 0 | 0 |
| administrative penalty | 0 | 0 |
| reprimand | 0 | 0 |
| probation | 0 | 0 |
| suspension | 0 | 0 |
| revocation | 0 | 0 |
| other | 0 | 0 |

VII. Guide to Agency Programs – GRP Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: GRP (Groundwater Reduction Plan) Division; wholesale treated surface-water supply

Location/Division: GRP Division Offices; 11998 Pine Valley Drive, Conroe, Texas 77304

Contact Name: Mark Smith, P.E., Division Manager; Ronald Kelling, P.E., Deputy General Manager

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

The objective of the GRP Division is to implement a groundwater reduction plan for participating utilities to ensure a reliable, long-term, diversified portfolio of alternative water supply sources for Montgomery County. The GRP Division operates and maintains a raw water pumping station, surface water treatment plant, a high service pump station, and ground storage facilities located at Lake Conroe, and a 55-mile long surface water transmission system including 16 surface water receiving facilities. Major activities include operation, maintenance, and repair of the division's facilities and system to provide these services while also maintaining compliance with all local, state, and federal rules and regulations. Activities related to the effective management of the division's assets follow the GRP Division Asset Management Plan.



- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.**

**San Jacinto River Authority
Program Statistics and Performance Measures ⁽¹⁾ — Fiscal Year 2018**

| Program Statistics or Performance Measures | Dataset Reference Number* (if applicable) | Calculation (if applicable) | FY 2018 Target | FY 2018 Actual Performance | FY 2018 % of Annual Target |
|-------------------------------------------------------------------|-------------------------------------------|-----------------------------|---------------------|----------------------------|----------------------------|
| Maintain consistent compliance with Safe Drinking Water Act | N/A | N/A | 100% | 100% | 100% |
| Produce surface water to meet groundwater management requirements | N/A | N/A | 7.2 billion gallons | 5.1 billion gallons(2) | |

- (1) Sample Key Performance Indicators (KPIs). For complete list of KPIs, see GRP Division Business Plan and updated KPI metrics (*See Supplemental Attachments/7 GRP Division/7C1 KPI and 7C2 Business plan*).
- (2) Surface water production reduced due to weather and customer behavior that reduced overall demand and pressure on groundwater pumpage and a drive to reduce operations costs. Compliance with LSGCD Rules and Regulations after 2016 allowed for compliance to be based on a 30-year average of groundwater and alternative water supplies.

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.**

The Lone Star Groundwater Conservation District (LSGCD) adopted a District Regulatory Plan in 2010 that included future restrictions on groundwater pumped from the below-ground aquifers by large volume groundwater users (LVGUs) in Montgomery County beginning January 1, 2016. The SJRA offered a regional solution to all LVGUs. Over 80 utilities voluntarily executed contracts with the SJRA, requiring the SJRA to plan, design, permit, finance, construct, commission, operate, and maintain a surface water treatment plant at Lake Conroe and a pipeline transmission system that provides adequate treated surface water to over-convert seven contracted participants, which would allow the remaining contracted participants to remain on groundwater. The aggregated groundwater reduction for the entire group of participants met the regulatory requirements of the LSGCD.

In 2017, the State Legislature passed a bill to convert the formerly nine-member appointed board of directors for the LSGCD to a seven-member elected board. An election for the new board was conducted in November 2018. In May 2019, the newly-elected LSGCD board struck the requirements for groundwater reduction from its rules, resulting in uncertainty regarding the direction of future groundwater regulations in Montgomery County.

In August of 2016, two contracted GRP Participants – the City of Conroe and City of Magnolia – refused to accept the adopted FY 2017 rate increases. Instead they continued to pay the FY 2016 rates. The SJRA filed an Expedited Declaratory Judgment Act (EDJA) lawsuit in the 89th District Court of Travis County for declarations regarding the legality and validity of the contracts, the FY 2017 rate order, and the new FY 2017 rates. The cities of Conroe and Magnolia, along with three other entities, became parties to the EDJA proceeding and filed several pre-trial motions. The trial court ruled in favor of the SJRA. The cities appealed to the Third Court of Appeals. The Third Court of Appeals denied the cities’ appeal in September 2018. The cities then appealed to the Texas Supreme Court in 2018. The Texas Supreme Court is currently considering if it will deny or grant the cities’ petition for review.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

None

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The GRP Division is led, managed, and administered by the Division Manager. Operations, maintenance, and compliance/administration are separate but coordinated functions whose staff are led by supervisors who report to the GRP Division Manager. The staff follow all local, state, and federal rules and regulations related to public water supply, various standard operating procedures developed by the GRP Division, and professional/ethical requirements established by the entity which grants the licenses and certifications they hold.

The GRP Division staff are supported by various G&A Departments. The SCADA/I&C Department which includes all SCADA/I&C system hardware, software, field instrumentation, and communications provides functional support to the GRP Division through the SCADA/I&C Department Manager. The Technical Services Department, which includes GIS (Geographic Information Systems), engineering, construction management, and inspection, provides functional support to the GRP Division, as required. Accounting, Purchasing, IT, HR, Communications, Risk Management, and Administrative Services provided support to the GRP Division through the managers of each of these G&A Departments. The GRP Division Manager reports to the Deputy General Manager.

The GRP Division has contracts with 80 participating utilities (Participants). Each Participant pays fees based on the amount of groundwater they pump and the amount of treated surface water they receive, as applicable. The amount of groundwater pumped or surface water received is reported monthly to the GRP Division, and the appropriate fees are remitted based on the approved rates. GRP staff have procedures for checking meter readings and requiring meter calibrations as needed.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

No state appropriations are received.

Funding for operations, maintenance, and debt service is provided by the GRP Participants through GRP Pumpage fees and Surface Water fees. GRP Participants who pump groundwater pay a GRP Pumpage fee. GRP Participants who receive treated surface water pay a Surface Water fee. The total amount of revenues generated from these user fees in FY 2018 was \$55,177,487.

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

While there are other, singular or joint Groundwater Reduction Plans within Montgomery County, there are no other programs that provide wide-scale, regional, wholesale treated surface water services to Montgomery County. The GRP provided by the SJRA through the GRP Division is considered by LSGCD as a “safe harbor” GRP, essentially requiring the GRP Division to accept new participants if it isn’t detrimental to their ability to maintain compliance with LSGCD regulations.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The GRP Division communicates and coordinates closely with its Participants to address any operations issues regarding the delivery of treated surface water.

The budget for each fiscal year and annual updates to the 10-year project plans are presented to the GRP Review Committee (six representatives of the utilities who have contracted with the SJRA). *See Supplemental Attachments/7 GRP Division/7I1_Budget FY2020 Presentation* for sample budget presentation to customers in a posted, public meeting. A report ([GRP Monthly Operations Report](#)) summarizing the operations, status of groundwater and surface water usage, and financials is developed and provided to the GRP Review Committee during each of their monthly meetings and posted on the website. As previously noted, the terms and conditions of the GRP Division responsibility to the GRP Participants are provided in the contracts. Contract and associated supplement for the City of Conroe can be provided upon request.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Created in 2001, the Lone Star Groundwater Conservation District (LSGCD) is a groundwater conservation district whose purpose, as expressed in Chapter 36 of the Texas Water Code, is to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and of groundwater reservoirs, and to control subsidence caused by the withdrawal of water from those groundwater reservoirs. Rules developed and implemented by the LSGCD directly impact the GRP Division.

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the needs of the GRP Division.

Purchased and contracted services include waste and sludge removal/disposal, meter calibration, commercial laboratory, groundwater conservation district fees, janitorial, water quality testing, and other specialty services that are routine in the operations and maintenance of a wholesale surface water supply system. Purchased and contracted supplies, materials, and utilities include purchases of chemicals, fuel and lubricants, electrical power, and other commodities/supplies that are routine in the operations and maintenance of a wholesale surface water supply system. Contracted expenditures also include professional services (such as legal, engineering, and other services) and construction services, all required for the planning and implementation of capital improvement and repair projects.

- **the amount of those expenditures in fiscal year 2018;**

\$10,725,134 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

47 - this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award is based on consultant qualifications, and construction projects are procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA's purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|---------------------------|----------------------------------------|--------------------|
| 1 | CALGON CARBON CORPORATION | Granulated Activated Carbon change out | \$ 2,415,832.00 |
| 2 | LONE STAR GROUNDWATER | Lone Star Groundwater Conservation Fee | \$ 1,414,906.30 |
| 3 | ENTERGY | Electric Utilities | \$ 1,252,012.30 |
| 4 | CITY OF HOUSTON | Reservation Fee | \$ 1,213,047.03 |
| 5 | CEDARCHEM LLC | Coagulant | \$ 436,786.70 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Division Manager is responsible for the development of the 10-year project plan and annual budget, obtaining Board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA’s professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA’s standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the

two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.

N/A

VII. Guide to Agency Programs – Flood Management Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Flood Management Division; Regional flood planning and management

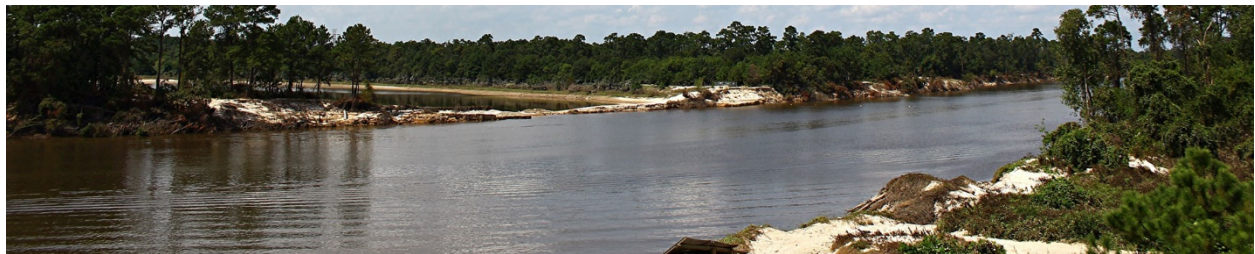
Location/Division: Flood Management Division at G&A Offices - Conroe, Texas

Contact Name: Chuck Gilman, P.E., Director of Water Resources and Flood Management

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

Developing short-term and long-term regional flood management strategies within the Authority's portion of the San Jacinto River Basin; building partnerships with federal, state, and local government entities; identifying funding sources and opportunities; and coordinating, collaborating, and potentially partnering with other entities throughout the entire San Jacinto River basin. The Flood Management Division oversees the partnership and implementation of planned and funded projects, including the transfer of operations and maintenance of completed projects to partnering entities.



C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.

Because the Flood Management Division was not formed until the end of April 2018, no Key Performance Indicators (KPIs) or similar metrics were in place for FY 2018 for the Division. Evidence of SJRA's success in the objectives described in Item B above can be found in part in its success in applying for a flood protection grant from the TWDB in July 2018, shortly after the formation of the division, and being awarded that grant in late 2018 and beginning the associated project in 2019. This grant project is technically a Lake Conroe Division project, with the majority of the matching funding being provided by that division, however, the new Flood Management Division took a lead role in obtaining the grant and managing the project.

Another example of the Flood Management Division's success in the above described objectives is its participation as a funding and technical partner in the Upper San Jacinto Regional Watershed Master Drainage Plan study being managed by the Harris County Flood Control District (HCFCD).

Additionally, SJRA is recently developed a "Know Your Watershed" campaign that will help provide the public with a better understanding of the watersheds they live in, as well as the sources of stormwater (i.e. rivers/streams, upstream watersheds, etc.) for those watersheds. The campaign consists of two tools: an online watershed viewer and an interactive story map that will give viewers an educational digital "tour" of the West Fork of the San Jacinto River.

SJRA also provided a senator within its jurisdiction draft language for a bill that would allow the Authority to take a more active role in sedimentation management in the San Jacinto River basin. That language is included in House Bill 1824 of the 2019 Texas Legislative Session.

Finally, SJRA has been involved in a variety of other flood management related activities, including participation in various stakeholder groups, task forces, etc.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

None

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

N/A

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Flood Management Division is led by the Director of Water Resources and Flood Management (the Director), with one direct employee (Project Coordinator), and one employee (Division Engineer 1) allocated from the SJRA Technical Services Department (part of the SJRA G&A Division). The Director is the Senior Manager responsible for all Flood Management Division activities and takes the lead on coordinating and building partnerships with outside entities and stakeholders in the region; identifying projects, funding sources, and other opportunities to be pursued by the Division; and managing the budget and other administrative functions of the Division. The Division Engineer 1 supports the Director in the above described activities, manages Division projects and consultants, leads/coordinates other Technical Services Department staff resources as necessary to accomplish Division goals, and performs other activities as required to support the Division as a whole. The Project Coordinator also supports the Director in his

responsibilities, responds to public inquiries directed to the Division, supports project management activities, and performs other activities as required to support the division as a whole.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

No state appropriations are received.

Due to the Flood Management Division not being formed until April 2018, there was no funding in the initial FY 2018 budget for the Division. In April 2018, the budget was amended to add \$204,815 for the Division. This budgeted amount was funded via SJRA Raw Water Enterprise revenues.

For FY 2019 and the upcoming FY 2020, the Flood Management Division continues to be funded via SJRA Raw Water Enterprise revenues. The total budget for FY 2019 for the Division is \$776,748.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Harris County Flood Control District (HCFCD) provides some similar services/functions for the portion of the San Jacinto River Basin located in Harris County. The SJRA jurisdiction does not extend into Harris County. Likewise, HCFCD jurisdiction does not extend into Montgomery County or the other counties included in SJRA's jurisdiction. A major activity performed by HCFCD that is similar to the SJRA Flood Management Division is the identification of flood mitigation projects. A current major difference between HCFCD and the SJRA is the availability of funding by which to actively implement identified projects and, subsequently, maintain constructed flood mitigation infrastructure. HCFCD is funded via multiple sources, including a dedicated property tax, federal and state grants, cost sharing agreements with other governmental entities, and funding allocated by the Harris County Commissioners Court. SJRA does not have any taxing authority, nor is it allocated funds from Montgomery County, the State of Texas, or any other governmental entity. SJRA has applied for and been awarded flood protection planning grant funds from the TWDB and has sought/is seeking opportunities for cost sharing with local entities for flood mitigation projects.

Other local governments within the San Jacinto River Basin (Montgomery County, Harris County, the City of Houston, etc.) act as floodplain administrators for their respective jurisdictions, as well as enact and enforce drainage infrastructure design and construction criteria. These entities, like HCFCD, have taxing authority and other funding sources that are unavailable to the SJRA at this time. SJRA currently does not participate in any floodplain administration activities, nor does it have the authority to enact or enforce drainage infrastructure criteria or adopt development standards.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

SJRA maintains regular communication with various local entities, groups, task forces, etc. to coordinate on flood mitigation projects and activities in the region. One of the major entities that SJRA frequently coordinates with is the Harris County Flood Control District (HCFCD). The major boundary ensuring that SJRA and HCFCD do not duplicate efforts or conflict with each other is the jurisdictional split point of Harris County (SJRA does not have jurisdiction within Harris County with the exception of raw water supply east of the San Jacinto River), nor does HCFCD have jurisdiction outside of Harris County). In addition to frequent coordination with HCFCD and other entities, SJRA recently entered into an interlocal agreement with the HCFCD to act as a funding and technical partner in the Upper San Jacinto Regional Watershed Master Drainage Plan managed by the HCFCD (as described under item C above).

In addition, SJRA coordinates with five MUDs in The Woodlands to provide services via interlocal agreements for drainage and flood-related services. SJRA operates and maintains the Bear Branch reservoir and associated drainage systems. This service is further described above.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

See item I above.

- K. If contracted expenditures are made through this program please provide**

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the needs of the Flood Management Division.

- **the amount of those expenditures in fiscal year 2018;**

\$29 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

1 - There were no contract/project expenditures by the Flood Management Division in FY 2018 other than one pcard purchase.

- **the method used to procure contracts;**

While there were no contracts procured in FY 2018 by the Division, the method for procuring contracts after FY 2018 is/will be the same as that for the remainder of the SJRA. Professional services contract procurement/award is based on consultant qualifications, and construction projects are procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could

potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA’s Purchasing policies.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|-----------------------|---------|--------------------|
| 1 | BANK OF AMERICA PCARD | P-Card | \$ 29.94 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Director is responsible for the development of the 10-year project plan and annual budget, obtaining board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders and invoices are established within Board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA’s professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA’s standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- a short description of any current contracting problems.

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

Almost all river authorities in Texas were created with the legal authority to provide flood mitigation services; however, river authorities generally do not exercise these powers because river authorities do not have taxing authority or any other revenue source to fund such efforts. In general, river authorities have not been successful in contracting for flood mitigation services in the same manner that they contract other essential, municipal services (e.g., water supply or wastewater treatment services).

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.

N/A

VII. Guide to Agency Programs – Bear Branch Division

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Bear Branch; Drainage system and reservoir operations and maintenance

Location/Division: Bear Branch System located in The Woodlands, Texas; Services provided by staff from the Flood Management and Lake Conroe Divisions

Contact Name: Bret Raley, Lake Conroe Division Manager; Chuck Gilman, P.E., Director of Water Resources and Flood Management

Statutory Citation for Program: SJRA Enabling Act

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Bear Branch Reservoir and associated drainage channels are a flood control and drainage system that is the responsibility of five MUDs in The Woodlands. The reservoir is located on Bear Branch Creek in the San Jacinto River basin. All water released from the reservoir passes uncontrolled over a concrete spillway approximately 420 feet long. Bear Branch reservoir has a drainage area of approximately 6,172 acres. The reservoir has a normal pool elevation of 161' msl and a normal pool capacity of approximately 600 acre-feet. The top of dam elevation is 178.5' msl, and the capacity of the reservoir at this elevation is approximately 5,700 acre-feet.



SJRA is responsible for the inspection, maintenance, and any repairs to the reservoir; including, but not limited to, the concrete spillway, physical site security features, and general vegetation management.

SJRA is also responsible for invasive species management. Invasive aquatic plants can have a variety of negative impacts on a water body including diminishing fishery and wildlife resources or limiting recreational activities, such as fishing and hunting. SJRA utilizes integrated pest management techniques to control nuisance invasive species by chemical, biological, and mechanical methods. Personnel have also work diligently to re-establish native vegetation in the reservoir.

SJRA also manages mowing contracts for the various channels that are part of the primary drainage system for The Woodlands. All costs associated with the reservoir and drainage channels are borne by the five MUDs via interlocal agreements with SJRA.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.

SJRA has not historically tracked performance metrics related to this particular contracted service. The scope of services and costs under this contract are determined by the five MUD customers, and the Authority works collaboratively with the MUDs to monitor the delivery of services and ensure that they continue to be effective and efficient. The Authority will continue to coordinate with its customers to determine appropriate performance measures that could be tracked.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

The response in Section III sufficiently describes the history of this program.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

None

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Lake Conroe Division operates and maintains the Bear Branch dam and reservoir in accordance with TCEQ's Rules and Regulations (TAC §30, Chapter 299) and most importantly, the TCEQ-approved Emergency Action Plan for the Bear Branch Dam. SJRA also utilizes an Operations and Maintenance Manual developed by a licensed professional engineer that includes operational guidelines and maintenance activities and schedules for each element of the dam.

SJRA staff conducts field surveys of the reservoir to identify invasive species. Treatment proposals are developed and submitted to Texas Parks and Wildlife in order to obtain permission to treat the identified species in accordance with the Lake Conroe Aquatic Vegetation Management Plan.

SJRA staff also conduct field surveys of the associated drainage systems in order to monitor the mowing and de-snagging that is conducted by contractors.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Five MUDs in The Woodlands have contracted with SJRA to inspect and maintain the Bear Branch dam and reservoir and associated drainage systems.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

None

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

N/A

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

N/A

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the Bear Branch operation and maintenance needs, primarily mowing and de-snagging but also occasional engineering services.

- **the amount of those expenditures in fiscal year 2018;**

\$98,918 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

5 - this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

Competitive bidding

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|-------------------------------------|-----------------------------|--------------------|
| 1 | BIO LANDSCAPE AND MAINTENANCE, INC. | Mowing | \$ 78,612.99 |
| 2 | SPRAYCO SYSTEM | Invasive Species Management | \$ 9,275.00 |
| 3 | WINFIELD SOLUTIONS, LLC | Chemicals | \$ 7,853.00 |
| 4 | SCHWARTZ PAGE & HARDING LLP | Legal Services | \$ 1,025.00 |
| 5 | BANK OF AMERICA PCARD | P-Card | \$ 183.34 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

The Division Manager is responsible for the development of the 10-year project plan and annual budget, obtaining board and customer approval of the budget, and monitoring of expenses against the approved division budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received at the division, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with Purchasing and Accounting. As miscellaneous services are performed by providers at the division, the work

product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with Purchasing and Accounting.

For capital related projects, SJRA's professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA's standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized division/department personnel.

- **a short description of any current contracting problems.**

None

- L. Provide information on any grants awarded by the program.**

N/A

- M. Are there any barriers or challenges that impede the program's performance, including any or ineffective state laws? Explain.**

None

- N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

None

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe**

N/A

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

N/A

VII. Guide to Agency Programs – General and Administrative Division

General & Administrative Division:

A. Provide the following information at the beginning of each program description.

Name of Program or Function: General & Administrative Division

Location/Division: General & Administrative Offices - Conroe, Texas

Contact Name: Tom Michel, Director of Financial and Administrative Services; Ron Kelling, P.E., Deputy General Manager; Heather Ramsey Cook, Director of Communications and Public Affairs

Statutory Citation for Program: N/A



B. What is the objective of this program or function? Describe the major activities performed under this program.

The General and Administrative (G&A) Division, under the direction of the general manager, provides the administrative, technical, and support services necessary to maintain SJRA's daily operations. It is comprised of Accounting, Administrative Services, Communications, Human Resources, IT, Purchasing, Risk Management, SCADA/I&C, and Technical Services.

- Accounting is responsible for processing payroll; recording and reporting revenues, expenses, assets, liabilities, and changes in fund equity; and ensuring that all SJRA financial procedures follow generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) statements, as applicable. In addition, the Accounting Department is responsible for cash management, investing according to SJRA's investment policy, project costing, budgeting, and providing ad hoc support to each Division.
- Administrative Services plans, directs, and coordinates supportive services of SJRA. Responsibilities include managing SJRA records and facilities, planning and facilitating Board of Directors meetings, and general office management. Administrative Services facilitates all open records requests and Public Information Act training, prepares and posts all legal notices, provides staff support, prepares documentation for and recordings of official minutes, resolutions, orders, and other related business.
- Communications proactively communicates through numerous media outlets SJRA's key strategic priorities, initiatives, core services, and messages to a broad range of audiences including residents within the San Jacinto River basin, local and state elected officials, community groups, and media outlets. Communications is also responsible for identifying opportunities to build, maintain, and enhance a positive organizational image that creates and facilitates community understanding and support.
- Human Resources directs employee relations, benefits administration, and training. HR is responsible for screening job candidates, performing background checks, and providing orientation to new employees.
- Information Technology responsibilities include network management, software development, database administration, and technical support. The IT Department ensures the secure and effective operation of all business operation computer systems, related applications, hardware, and software within SJRA (non-SCADA/I&C systems).
- Purchasing supports all divisions' procurement needs through purchasing quality goods and services, obtaining the best possible prices for goods and services, delivering of goods and services when and where needed, assuring a continued supply of needed goods and services, guarding against misappropriation of any assets procured, giving all prospective vendors a fair opportunity to compete for SJRA business, and safeguarding public funds.
- Risk Management is responsible for managing SJRA's risk and loss prevention activities, which consists of worker safety policies, programs, and training; workers' compensation administration; general and auto liability and property and casualty risk insurance coverage administration; and claims administration. Risk Management also assists with contract administration and provides professional advice on risk management issues to SJRA management.
- SCADA/I&C responsibilities include designing and supporting sophisticated computer systems that monitor and control SJRA infrastructure and facility-based processes including raw water distribution (Highlands Division), surface water treatment and distribution (GRP Division), gate

operations on Lake Conroe (Lake Conroe Division), groundwater treatment and distribution (Woodlands Division), as well as wastewater collection and treatment (Woodlands Division). SCADA stands for Supervisory Control and Data Acquisition. I&C is Instrumentation & Control.

- Technical Services provides engineering, construction management and inspection, GIS, and other technical support to the operating divisions of the SJRA. Technical Services staff (1) lead the troubleshooting, identification, investigation, problem-solving, and resolution of engineering/technical issues within the operating divisions, (2) coordinate the development and implementation of the division Asset Management Plans (including project and program management and construction administration, management, and inspection), (3) coordinate the development and implementation of the division 10-year Project Plans, and (4) provide development and maintenance of GIS geodatabases, maps, web mapping applications, and the execution of GIS activities.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.

See each department's Five-Year Business Plan (See Supplemental Attachments/SJRA Business Plans 2018).

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

The General and Administrative Services Division was created as a more efficient way to provide G&A services across all SJRA Divisions. The G&A Division brought services together at a single office to enhance coordination and to eliminate duplication.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

N/A

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

See Five-Year Business Plan attachment (See Supplemental Attachments/SJRA Business Plans 2018).

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

No state appropriations are received.

G&A costs of operations are allocated across each operating division. The sources of funding utilized by each division are described in each division's section.

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

N/A

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

N/A

- K. If contracted expenditures are made through this program please provide**
- **a short summary of the general purpose of those contracts overall;**

The general purpose of contracts is to procure goods and services to support the needs of the G&A Division.

- **the amount of those expenditures in fiscal year 2018;**

\$1,478,964 - this amount reflects total expenditures, excluding salaries and benefits, intercompany, debt related expenses, or depreciation.

- **the number of contracts accounting for those expenditures;**

62 - this number reflects the number of purchase orders (POs) initiated in FY2018. It does not include POs or contracts initiated in a previous fiscal year that were still active during any portion of FY2018.

- **the method used to procure contracts;**

The method for procuring contracts is the same as that for the remainder of the SJRA. Professional services contract procurement/award is based on consultant qualifications, and construction projects are procured via public bidding (likely utilizing the competitive sealed proposals method for the majority of projects). Small construction projects could potentially be procured via informal or formal quotes, as opposed to formal public bidding, in accordance with state law and SJRA’s purchasing policies. Other methods of procurement are Requests for Proposals (RFP) which are utilized for complex services and long-term contractual arrangements; Requests for Bids (RFB) which are utilized for non-complex goods and services; and in some instances cooperative sourcing and sole source procurement are utilized.

- **top five contracts by dollar amount, including contractor and purpose;**

| | Vendor Name | Purpose | Expenditure Amount |
|---|-------------------------------|---------------------------------------------------------|--------------------|
| 1 | BANK OF AMERICA PCARD | P-Card | \$ 366,555.78 |
| 2 | SCHWARTZ PAGE & HARDING LLP | Legal Services | \$ 165,921.70 |
| 3 | HILLCO PARTNERS | Legislative Legal Services | \$ 60,238.63 |
| 4 | AT&T MOBILITY - IL | Phone Services | \$ 55,058.69 |
| 5 | FORD AUDIO-VIDEO SYSTEMS, LLC | Audio Visual Equipment Upgrade all G&A Conference Rooms | \$ 50,910.00 |

- **the methods used to ensure accountability for funding and performance; and**

Contract management is a top priority for SJRA. We have numerous policies and procedures in place to ensure proper checks and balances in the procurement process and to prevent fraud and waste. All of these measures must address a diverse range of contracting needs from simple goods and services to complex engineering and construction projects.

Each Department Manager is responsible for the development of the departmental budgets and monitoring of expenses against the approved budget. Authorization/approval levels of requisitions, purchase orders, and invoices are established within board policy by Senior Management.

For all goods and services, a process involving the development and approval of requisitions and purchase orders is conducted within the appropriate levels of authorization/approvals based on the total cost of the requisition and purchase order. As goods are received, the type, quantity, and quality of each item is verified against the purchase order (including technical/product specifications) and confirmed with the Purchasing and Accounting Departments. As miscellaneous services are performed by providers, the work product resulting from the services is verified against the scope of services associated with the purchase order and confirmed with the Purchasing and Accounting Departments.

For capital related projects, SJRA's professional services contracts and work orders provide for controls to ensure project performance, including regular project meetings and interim deliverables for SJRA review. SJRA project managers review each professional services invoice to ensure that amounts invoiced by consultants/vendors reflect actual services performed. SJRA's standard construction contracts also include terms to ensure quality deliverables. SJRA utilizes guide technical specifications to ensure consistent and quality work products across all Authority projects; construction management and inspection is provided for each project via outside consultants, in-house staff, or a combination of the two; and construction managers perform detailed reviews of each contractor pay application to reflect actual work completed.

The Accounting Department provides support, including review of all requisitions and accounting for all expenditures. The Purchasing Department provides support of the purchasing process and issues purchase orders. Invoices for payment of all accepted goods and services are processed and approved by the authorized department personnel.

- **a short description of any current contracting problems.**

None

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

N/A

VII. Guide to Agency Programs – Region H Water Planning Group

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Region H Water Planning Group

Location/Division: General and Administrative Offices – Conroe, TX

Contact Name: Jace Houston, General Manager

Statutory Citation for Program: Senate Bill 1 (1997)



B. What is the objective of this program or function? Describe the major activities performed under this program.

Senate Bill 1 (SB 1) contained comprehensive water legislation enacted by the 75th Texas Legislature in 1997 that led to the current process of regional water planning for Texas. This comprehensive water legislation was an outgrowth of increased awareness of the vulnerability of Texas to drought and to the limits of existing water supplies to meet increasing demands as population and water uses increase.

With passage of SB 1, the Legislature established a "bottom up" water planning process designed to ensure that the water needs of all Texans are met as Texas entered the 21st century. The regional water planning process allows individuals representing at least 12 interest groups to serve as members of Regional Water Planning Groups (RWPG) to prepare regional water plans for their respective areas.

These plans identify water needs, water supplies, and water strategies on a 50-year planning horizon. Both the regional and state plans are reviewed and updated every five years. Each of the sixteen regional planning groups selects a governmental entity to serve as its administrative agency for the purpose of receiving planning grant funds from the TWDB and then distributing those funds to the consultant team selected by the group to prepare the regional water plan. The SJRA serves as the administrative agency for Region H.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed on Page 13 unless necessary to understand the program or function.

N/A. SJRA's role in the regional planning process is to serve as the administrative agency for Region H and pass through planning grant funds from the TWDB to the Region H consultants. SJRA does not track performance metrics related to the effectiveness or efficiency of this activity.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

None

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

N/A

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Application for Funding:

- The TWDB Executive Administrator (EA) publishes notice in the *Texas Register* advising RWPGs that funds are available and that applications will be accepted to develop regional water plans.
- RWPGs provide a written designation to the EA naming the political subdivision that is authorized to apply for grant funds on behalf of the group and ensuring that the designated political subdivision has the legal authority to conduct the procurement and enter into the contracts necessary for regional water planning.
- RWPGs provide notice that an application for funding is being submitted by the eligible applicant in accordance with 31 TAC §357.21(d) relating to Notice & Public Participation.

Application Evaluation Criteria:

1. Degree to which proposed planning does not duplicate previous or ongoing planning;
2. Project organization and budget;
3. Scope of work of project;
4. Eligibility of tasks for funding under 31 TAC §355.92
5. The relative need of the political subdivision for the money based upon an assessment of the necessary scope of work and cost to develop the regional water plan as compared to statewide needs for development of all regional water plans;
6. The legal authority of the political subdivision to participate in the development and implementation of a regional water plan; and
7. The degree to which regional water planning by the political subdivision will address the water supply needs in the regional water planning area.

Subcontracting:

A planning group through the eligible applicant's contractor or subcontractor may obtain professional services, including the services of a planner, land surveyor, licensed engineer, or attorney, for development or revision of a regional water plan only if such services are procured on the basis of demonstrated competence and qualifications through a request for qualifications process in accordance with Chapter 2254 of the Texas Government Code.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Texas Water Development Board grant funds.

In 1998, at the onset of the regional planning process, numerous participating entities donated funds to cover administrative costs that were not covered by TWDB grants, such as errors and omissions insurance for Region H members. Investment income from the original donations is the only other source of revenue to Region H.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

None

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The TWDB retains a database for the State's Regional Water Planning Groups and coordinates the effort between the TWDB, the Planning Groups, and the Planning Group's contracted consultants to avoid any duplication.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Region H Water Planning Group consists of representatives from fifteen counties – Austin County, Brazoria County, Chambers County, Fort Bend County, Galveston County, Harris County, Leon County, Liberty County, Madison County, Montgomery County, Polk County, San Jacinto County, Trinity (partial) County, Waller County, and Walker County. The Water Planning Group provides comprehensive regional water planning and carries out the related responsibilities placed on regional water planning groups by state law, including Texas Water Code Chapter 16 and TWDB rules, including 31 TAC Chapters 355, 357, and 358, in and for the Region H Water Planning area.

K. If contracted expenditures are made through this program please provide

N/A

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2018; the number of contracts accounting for those expenditures;
- the method used to procure contracts;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

The funds are provided by the TWDB. SJRA is merely a pass through entity for the purpose of this program.

L. Provide information on any grants awarded by the program.

This program is funded by the TWDB. Explanation of process is within Section F above.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. If necessary to understand the data, please include a brief description of the methodology supporting each measure.

N/A

VIII. Statutory Authority and Recent Legislation

- A. Fill in the following charts, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2013–2018, or earlier significant Attorney General opinions, that affect your agency’s operations.

San Jacinto River Authority Statutes / Attorney General Opinions

Statutes

| Citation / Title | Authority / Impact on Agency <i>(e.g., “provides authority to license and regulate nursing home administrators”)</i> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acts 1937, 45th R.S., ch. 426 Acts 1939, 46th R.S., ch. 10 Acts 1941, 47th R.S., ch. 480 & 613 Acts 1943, 48th R.S., ch. 371 Acts 1951, 52nd R.S., ch. 366 & 367 Acts 1967, 60th R.S., ch. 547 Acts 1991, 72nd R.S., ch. 698 Acts 2003, 78th R.S., ch. 847 Acts 2015, 84th R.S., ch. 1148 | SJRA Enabling Legislation – Defines authorized powers and duties. At this time, SJRA’s enabling legislation has not been codified and still exists as separate session laws. For convenience, SJRA’s general counsel has compiled the separate acts into a single document, which is located in <i>Attachments/Attachment 1_ Enabling Statute</i> . |

Attorney General Opinions

| Attorney General Opinion No. | Impact on Agency |
|------------------------------|-------------------------------------------------|
| KP-0128 | Clarifies investment options available to SJRA. |

- B. Provide a summary of significant legislation regarding your agency by filling in the charts below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass but were significant, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). Place an asterisk next to bills that could have a major impact on the agency.**

**San Jacinto River Authority
86th Legislative Session**

There were a number of bills that were enacted in the 86th legislature that may ultimately have an impact on or indirectly affect SJRA, namely SB 7, SB 8, and HB 26. The following tables only reflect bills that have a significant impact specifically on SJRA.

Legislation Enacted

| Bill Number | Author | Summary of Key Provisions |
|-------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HB 1824 | Murr | Authorizes SJRA and the Harris County Flood Control District, and their respective contractors, to remove sand from the San Jacinto River and its tributaries without payment of a royalty to Texas Parks and Wildlife, in order to facilitate public-private partnerships that may alleviate flooding caused by sand deposits in the river. |

Legislation Not Passed

| Bill Number | Author | Summary of Key Provisions / Reason Bill Did Not Pass |
|-------------|--------|------------------------------------------------------|
| N/A | | |

IX. Major Issues

In this section, we will highlight three major issues that create risk and uncertainty for the SJRA and, in some cases, for other river authorities and regional water providers across the state: 1) funding and coordination of regional flood management activities, 2) the effect of changing local groundwater regulations on the ability to ensure reliable, long-term water supplies and fund capital improvements, debt repayment, and ongoing operations and maintenance costs, and 3) the ability to implement and fund large-scale, regional water projects involving contract partners who decide they no longer like the agreed upon contract terms.

ISSUE NO. 1

A. Brief Description of Issue

Funding and Coordination of Regional Flood Management Activities

B. Discussion

As described elsewhere within this self-evaluation report, Hurricane Harvey devastated many parts of the greater Houston area, including the Kingwood area within the San Jacinto River basin. The effects of Hurricane Harvey highlighted the need for coordination of regional flood mitigation strategies. Like almost all river authorities in Texas, SJRA is authorized within its enabling act to perform flood management activities, however SJRA has no taxing authority, and all of the services it provides are funded by contracts with willing customers and occasionally through grants.

Funding for flood-related projects almost always comes from property taxes. This makes sense given that the goal of flood management is to protect the life and property of citizens. It is a core function of local taxing entities such as cities, counties, and special districts, such as flood control and levy districts. However, the source of a flood event is often hundreds of miles and numerous counties away from the area that is damaged by flooding. In some cases, a local city or county would need to implement a project in another county in order to mitigate their local flood problem. Policymakers recognize that there is a need to manage flooding on a larger-scale basis, such as across entire river basins or watersheds, but river authorities and other regional water districts, with only one or two exceptions, have no taxing authority. These agencies typically have the necessary legal authority but no funding. Cities and counties have the legal authority and funding but may not have the ability to implement the necessary projects.

The lack of funding options has limited SJRA to rely on a participant's willingness to contract with SJRA. To date, the best example of SJRA partnering with a local entity to carry out a flood management project is the Bear Branch project being implemented by the Lake Conroe and Flood Management divisions of SJRA. Five local Woodlands MUDs contract with SJRA to maintain the Bear Branch Reservoir and its associated drainage systems. To date, no other contract participants have elected to utilize SJRA's flood management authorization.

Since Hurricane Harvey, SJRA has sought partners to fund feasibility studies in the hopes that federal and state funding could be matched with local and regional partners to develop flood management projects to help upstream and downstream land owners.

Previously, in 1985, local leaders in Montgomery County sought legislation to create the Montgomery County Flood Control District. That legislation was signed by the governor but was defeated in a local election. The proposed flood control district would have included a funding mechanism through a local sales and use tax.

C. Possible Solutions and Impact

SJRA created the Flood Management Division in April 2018 to assist in regional flood management strategies. The recent passage of Senate Bills 7 and 8 and House Bill 26, along with a few other bills that were passed during the 86th Legislature, could lead to increased opportunities to create the necessary coordination to achieve meaningful, regional flood management strategies. The TWDB will develop rules for the implementation of SB 7 and SB 8 over the course of the next several months. The fiscal impacts of SB 7 and SB 8, and what studies and/or projects will be funded, are not yet known. It is also not yet known if and how local and regional partnerships will develop for flood management projects. However, it can be assumed that without more collaboration of regional flood management strategies and coordination of solutions, the region will continue to face flooding risks.

Another potential solution is the creation of tax-funded, regional entities that cover entire, or large portions, of major river basins. For example, the Harris County Flood Control District has the necessary legal authority and funding mechanism to implement flood mitigation projects, however, it covers less than half of the San Jacinto River basin. This solution would require legislation to implement.

ISSUE NO. 2

A. Brief Description of Issue

The effect of changing local groundwater regulations on the ability to ensure reliable, long-term water supplies and fund capital improvements, debt repayment, and ongoing operations and maintenance costs

B. Discussion

The LSGCD has recently recanted decades' worth of work developing reasonable groundwater management strategies for Montgomery County. They have reversed direction and rescinded regulations that have been in place for more than ten years. The regulated public within Montgomery County (note - SJRA's Woodlands Division is the largest groundwater permittee within the LSGCD) responded in good faith to meet LSGCD's regulations, which were originally adopted in 2010.

In response to the LSGCD's rules, the SJRA created the GRP Division, which in turn created a joint GRP project in which more than 80 utilities across Montgomery County, including the Woodlands Division, voluntarily joined to create a collaborative solution. Over \$500 million was borrowed from a combination of bonds issued through the State of Texas and the open market to design and build the infrastructure necessary to meet the LSGCD's 2016 deadline. The GRP Division successfully operates a surface water treatment plant that can supply up to 30 mgd to numerous participating utilities and can meet LSGCD's rules for years to come.

In November 2018, a newly-elected LSGCD board of directors began dismantling its rules, leaving permittees who invested sizable dollars to develop and implement solutions in a precarious position. The LSGCD board has indicated a desire to largely deregulate the aquifers beneath Montgomery County despite overwhelming evidence of rapidly decreasing water-levels and the resulting negative impacts such as subsidence, fault movement, and increase flooding.

C. Possible Solutions and Impact

The recent decisions by the LSGCD Board of Directors has created considerable uncertainty in water supply planning activities and puts at risk the very infrastructure that was built in order to comply with their groundwater reduction mandates. Contract participants have questioned whether they should continue to remain in the GRP, and some have begun to resist paying their full portion of GRP Division expenses. The viability of the SJRA's GRP Division is in question should participants breach their contracts. If this occurs, the GRP Division will almost certainly default on its debt obligations to the State of Texas and to open market investors.

The TWDB and the TCEQ have oversight of the LSGCD through TWDB's review and certification of LSGCD's Groundwater Management Plan and TCEQ's enforcement authority. This issue will not likely be resolved for years to come, however, expeditious actions by TWDB and TCEQ will help facilitate resolution to this issue.

ISSUE NO 3.

A. Brief Description of Issue

The ability to implement and fund large-scale, regional water projects involving contract partners who decide they no longer like the agreed upon contract terms

B. Discussion

Connected to Issue 2 above, the City of Conroe and the City of Magnolia, both contract participants in the GRP Division's joint GRP, rejected necessary increases in rates from the GRP Division for FY 2017 and beyond. Conroe and Magnolia have continued reduced payment to the GRP Division based on the FY 2016 rates. Conroe and Magnolia's stated reason for breaching their contracts by refusing to pay the approved rate was that "the essential purpose of the contract has failed" and that the rates were unreasonable. This despite the fact that the rates were approved unanimously by a committee selected by the GRP customers, and the other 78 participants have continued to pay without incident, including being forced to pay more to make up the shortfall caused by Conroe and Magnolia.

Following the breach of contract, SJRA immediately pursued contract validation through an expedited process in Travis County District Court, however, after losing on pre-trial motions, Conroe and Magnolia have contested the process through the District Court, the Appellate Court, and now to the Texas Supreme Court. The GRP Division has spent over \$1 million in legal fees to validate its contracts through the courts and to seek enforcement of the contract terms with Conroe and Magnolia. In order for river authorities and other regional water providers to deliver cost-effective, reliable water supplies to meet the current needs and future growth of Texas, it is critical that water suppliers be able to rely on the stability and predictability of long-term contracts. These contracts are entered into between sophisticated parties in arms-length transactions, and their certainty is so crucial to the future water supplies of Texas that three long-standing legal principles have been put in place to ensure they're reliability: (i) Texas law states that once a contract is entered into and then approved by the Attorney General as part of a bond offering, the contract becomes "incontestable" as a matter of law; (ii) the Expedited Declaratory Judgment Act provides an expedited legal process for resolving disputes involving contracts that form the basis for repayment of bonds; and (iii) the legal bar for the Public Utility Commission to even take up and consider a wholesale rate set by contract is extremely high (this last principle has been called into question by recent actions of the PUC and may warrant legislative review in the upcoming session due to the risk to long-term water supply projects).

C. Possible Solutions and Impact

The GRP Division fully expects the court system to uphold the validity of its contracts and to ultimately force Conroe and Magnolia to honor their contracts and pay their back fees (including penalties and interest). The GRP Division's customers have thus far insisted that SJRA also seek reimbursement of its legal fees related to these matters. The three principles described in the paragraph above should provide adequate solutions to ensure the reliability of long-term water supply contracts, such as the GRP contracts at issue here.

X. Other Contacts

- A. Fill in the following charts with updated information on people with an interest in your agency, and be sure to include the most recent email address.

Contacts

Interest Groups

(groups affected by agency actions or that represent others served by or affected by agency actions)

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------|
| City of Houston Carol Haddock, Director of Public Works | 901 Bagby Houston, TX 77002 P.O. Box 1562 Houston, TX 77251 | 832-395-2500 | carol.haddock@houstontx.gov |
| City of Houston Yvonne Forrest, Deputy Director of Public Works | 901 Bagby Houston, TX 77002 P.O. Box 1562 Houston, TX 77251 | 832-395-2500 | yvonne.forrest@houstontx.gov |
| City of Houston Sharon Citino, Planning Director of Public Works | 901 Bagby Houston, TX 77002 P.O. Box 1562 Houston, TX 77251 | 832-395-2500 | Sharon.Citino@houstontx.gov |
| Coastal Water Authority Don Ripley, Executive Director | 1801 Main Street, Suite 800 Houston, TX 77002 | 713-658-9020 | don.ripley@streetsuite.gov |
| Harris County Engineer – John Blount | 1001 Preston Houston, TX 77002 | 713-755-5000 | |
| Harris County Office of Emergency Management | 6922 Old Katy Rd. Houston, TX 77024 | 713-881-3100 | |
| Harris County Constable Precinct 3 Sherman Eagleton | 701 West Baker Road Baytown, TX 77521 | 713-274-2530 | |
| Harris County Flood Control District Russ Poppe, Executive Director | 9900 Northwest Fwy. Houston, TX 77092 | 713-684-4000 | Russ.Poppe@hcfcd.org |

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------|
| Harris County Flood Control District Jeff Linder, Meteorologist | 9900 Northwest Fwy. Houston, TX 77092 | 713-684-4000 | Jeff.Lindner@hcfcd.org |
| Woodlands Township Don Norell General Manager | 2801 Technology Forest Blvd. The Woodlands, TX 77381 | 281-210-3800 | dnorell@thewoodlandstowship.gov |
| Woodlands Joint Powers Association Mike Mooney, Deputy General Manager | 2455 Lake Robbins Dr. Spring, TX 77380 | 281-367-1271 | mmooney@wjpa.org |
| Montgomery County Mark Keough, County Judge | 501 North Thompson, Suite 401-Fourth Floor Conroe, TX 77301 | 936-539-7812 | |
| Montgomery County Mike Meader, County Commissioner Pct. 1 | 510 Highway 75 North Willis, TX 77378 P.O. Box 587 Willis, TX77378 | 936-539-7815 | Commissioner.pct1@mctx.org |
| Montgomery County Darren Hess, Director of Homeland Security and Emergency Management | 9472 Airport Rd. Conroe, TX 77303 | 936-523-3901 | Darren.Hess@mctx.org |
| Montgomery County Constable Office Pct. 1 Lt. Tim Cade, Marine Division | 115 Business Park Dr. Willis, TX 77378 | 936-856-6329 | |
| Highlands Chamber of Commerce | 127 San Jacinto St. Highlands, TX 77562 | 281-426-7227 | president@highlandschamber.org |
| Kingwood Chamber of Commerce | 804 Russell Palmer Rd Kingwood, TX 77339 | 281-360-4321 | sparky@kwchamber.org |
| Lake Conroe Chamber of Commerce | 505 W. Davis St. Conroe, TX 77301 | 936-756-6644 | info@conroe.org |

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------|--------------------------------------------------------------------------|
| Woodlands Chamber of Commerce | 9320 Lakeside Blvd. Suite 200, The Woodlands, TX 77381 | 281-367-5777 | info@woodlandschamber.org |
| Lake Conroe Association Mike Bleier, President | - | - | |
| Woodlands Joint Powers Agency (Woodlands Water Agency) Jim Stinson, General Manager | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | jstinson@wjpa.org |
| The Woodlands MUD No. 1 - Bob Leilich, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 6 - Bruce Cunningham, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 7 - Kyle Mays, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| The Woodlands Metro MUD - Carl Kennedy, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 36 - Scott Haynes, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 39 - Erik Berglund, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| The Woodlands MUDs Trustees -Eric Hird, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 46 - Mark Vonderau, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------|
| Montgomery County MUD No. 47 - Arther Bredehoft, Vice President (President position is vacant) | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 60 - Albert T. Tomchesson, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Montgomery County MUD No. 67 - Roland Johnson, President | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-367-1271 | |
| Harris-Montgomery Counties MUD No. 386 - F. Emil Jacobs, President | c/o Schwartz, Page & Harding, LLP, 1300 Post Oak Blvd., Suite 1400, Houston, Texas 77056 | 713-623-4531 | |
| GRP Review Committee Member - Mike Mooney, President, Representing The Woodlands (also Woodlands Joint Powers Agency Deputy General Manager) | 2455 Lake Robbins Dr. The Woodlands, Texas 77380 | 281-3671271 | mmooney@wjpa.net |
| GRP Review Committee Member - Jackie Chance (General Manager, Montgomery County WCID No. 1) | c/o Montgomery County WCID No. 1, 25611 Spreading Oaks Lane, Spring, Texas 77380 | 281-367-0969 | |
| GRP Review Committee Member - Joe Sherwin (Director of Public Works, City of Oak Ridge North) | c/o City of Oak Ridge North, 27424 Robinson Road, Oak Ridge North, Texas 77389 | 281-292-4648 | |
| GRP Review Committee Member - Kerry Mason | - | - | |
| GRP Review Committee Member - Melanie White | c/o C & R Water Supply, 114 S. Danville St., Willis, Texas 77378 | 936-856-4199 | |

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------|
| GRP Review Committee Member - Jason Miller (Assistant Director of Public Works, City of Conroe) | c/o City of Conroe, 401 Sgt. Ed Holcomb Blv. Conroe Texas | 936-522-3885 | |
| Exxon Veena Krishnan, UOPS Commercial Planner | Baytown Olefins Plant, Admin 206 Baytown, Texas | 346-259-6079 | veena.p.krishnan@exxonmobil.com |
| Chevron Bonnie Lasater Project Integration Manager | Cedar Bayou Plant Baytown Olefins Plant, Admin 206 Baytown, Texas | 281-421-6115 | lasatbk@cpchem.com |
| Entergy Glin Edwards Sr. Lead Tech Support Specialist | Entergy Lewis Creek Plant 11191 Longstreet Rd. Willis, Texas 77318 | 936-856-0617 | GEDWAR1@entergy.com |
| Harris - Montgomery County MUD 386, Howard Cohen (Attorney) | 1300 Post Oak Blvd, Suite 1400, Houston, TX 77056 | 713-623-4531 | hcohen@sphllp.com |

Interagency, State, or National Associations

(that serve as an information clearinghouse or regularly interact with your agency)

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------|
| Texas Water Conservation Association Dean Robbins, General Manager | 221 E. 9th St. Austin, TX 78701 | 512-472-7437 | drobbins@twca.org |
| Texas Water Conservation Association Stacey Steinbach, Assistant General Manager | 211 E. 9th St. Austin, TX 78701 | 512-472-7437 | ssteinback@twca.org |
| Texas Water Conservation Association - Risk Management Fund Greg Womack, Program Executive | 10535 Boyer Blvd. Suite 100, Austin, TX 78758 P.O. Box 26655 Austin, TX 78755-0655 | 512-427-2309 | Greg.Womack@yorkrsg.com |
| American Water Works Association - Texas Section | P.O. Box 80150 Austin, TX 78708 | 512-238-9292 | help@tawwa.org |
| American Society of Civil Engineers | 1801 Alexander Bell Dr. Reston, Virginia 20191 | 703-295-6000 | www.asce.org |
| Water Environment Association of Texas | 1825 Fortview Rd, Suite 102 Austin, TX 78704 | 512-693-0060 | www.weat.org |
| Texas Water Foundation | P.O. Box 13252 Austin, TX 78711-3252 | 512-663-6634 | sarah@texaswater.org |
| Alliance for Water Efficiency | 33 N La Salle St. Suite 2275 Chicago, IL 60602 | 773-360-5100 | jeffrey@a4we.org |
| Government Finance Officers Association | 203 N. La Salle St Suite 2700, Chicago, IL 60601 | 312-578-2282 | |
| Texas Public Risk Management Association | P.O. Box 4693 Austin, TX 78765 | 512-394-0719 | info@texasprima.org |
| Association of Dam Safety Officials | 239 South Limestone Lexington, Kentucky 40508 | 859-550-2788 | info@damsafety.org |
| Texas Onsite Wastewater Association | P.O. Box 885 Bridge City, TX 77611 | 409-718-0645 | txowa@txowa.org |
| Texas A&M Engineering Extension Service | 200 Technology Way College Station, TX 77845 | 979-458-6805 | itsi@teex.tam |

| Group or Association Name/ Contact Person | Address | Telephone | Email Address |
|----------------------------------------------|-------------------------------------------------|--------------|---------------|
| Society for Human Resource Management | 1800 Duke St. Suite 100 Alexandria, VA 22314 | 703-548-3440 | |
| Texas Aquatic Plant Management Society | 3700 Lake Austin Blvd. Austin, TX 78703 | | |

Liaisons at Other State Agencies

(with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)

| Agency Name / Relationship / Contact Person | Address | Telephone | Email Address |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------|
| Texas Water Development Board Jeff Walker, Executive Director | 1700 North Congress Austin, TX 78701 P.O. 13231 Austin, TX 78711-3231 | 512-463-7848 | jeff.walker@twdb.texas.gov |
| Texas Water Development Board Carmen Cernosek, Director of Governmental Relations | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 78711-3231 | 512-463-7848 | carmen.cernosek@twdb.texas.gov |
| Texas Water Development Board Todd Chenoweth, General Counsel | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 13231 | 512-463-7848 | todd.chenoweth@twdb.texas.gov |
| Texas Water Development Board John Dupnik, Deputy Executive Administrator, Water Science and Conservation | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 13231 | 512-463-7848 | john.dupnik@twdb.texas.gov |
| Texas Water Development Board Rebecca Trevino, Chief Financial Officer | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 13231 | 512-463-7848 | rebecca.trevino@twdb.texas.gov |
| Texas Water Development Board Temple McKinnon, Director of Water Use, Projections, and Planning Division | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 13231 | 512-475-2057 | temple.mckinnon@twdb.texas.gov |
| Texas Water Development Board Lann Bookout, Project Manager (Region H Water Planning Group) | 1700 North Congress Austin, TX 78701 P.O. Box 13231 Austin, TX 13231 | 512-936-9439 | lann.bookout@twdb.texas.gov |
| Texas Commission on Environmental Quality Toby Baker, Executive Director | 12100 Park Circle Austin, TX 78753 P.O. Box Austin, TX 78711-3087 | 512-239-3900 | toby.baker@tceq.texas.gov |

| Agency Name / Relationship / Contact Person | Address | Telephone | Email Address |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------|
| Texas Commission on Environmental Quality Stephanie Bergeron-Perdue, Deputy Executive Director | 12100 Park Circle Austin, TX 78753 | 512-239-0616 | stephanie.bergeron_perdue@tceq.texas.gov |
| Texas Commission on Environmental Quality L'Oreal Stepney, Deputy Director of the Office of Water | 12100 Park Circle Austin, TX 78753 | 512-239-1321 | loreal.stepney@tceq.texas.gov |
| Texas Commission on Environmental Quality Kim Wilson, Director of Water Availability Division | 12100 Park Circle Austin, TX 78753 | 512-239-4644 | kim.wilson@tceq.texas.gov |
| Texas Commission on Environmental Quality Kelly Mills, Assistant Director of Water Availability Division | 12100 Park Circle Austin, TX 78753 | 512-239-4512 | kelly.mills@tceq |
| Texas Commission on Environmental Quality Kathy Alexander, Technical Specialist for Water Availability Division | 12100 Park Circle Austin, TX 78753 | 51-239-0778 | kathy.alexander@tceq.texas.gov |
| Texas Parks and Wildlife Department Carter Smith, Executive Director | 4200 Smith School Rd Austin, TX 78744 | 512-389-4802 | carter.smith@tpwd.texas.gov |
| Texas Parks and Wildlife Department Cindy Loeffler, Branch Chief, Water Resources | 4200 Smith School Rd Austin, TX 78744 | 512-389-8715 | cindy.loeffler@tpwd.texas.gov |
| US Fish and Wildlife Service | 19241 David Memorial Dr. Suite 175 Shenandoah, TX 77385 | 281-876-1520 | |
| US Environmental Protection Agency | 10625 Fallstone Rd. Houston, TX 77099 | 281-983-2100 | |
| National Weather Service - Houston/Galveston, TX | 1353 FM 646, Suite 202 Dickinson, TX 77539 | 281-337-5074 | sr-hgx.webmaster@noaa.gov |

XI. Additional Information

- A. Texas Government Code, Section 325.0075 requires agencies under review to submit a report about their reporting requirements to Sunset with the same due date as the SER. Include a list of each agency-specific report that the agency is required by statute to prepare and an evaluation of the need for each report based on whether factors or conditions have changed since the statutory requirement was put in place. Please do not include general reporting requirements applicable to all agencies, reports that have an expiration date, routine notifications or notices, posting requirements, federally mandated reports, or reports required by G.A.A. rider. If the list is longer than one page, please include it as an attachment.**

SJRA is not subject to the requirements of Texas Government Code, Section 325.0075. Outside of typical administrative reporting requirements, such as annual audit and financial reports, annual energy reports, etc., SJRA is subject to required typical water quality and usage reporting, largely to the TCEQ and TWDB. Such reports may consist of daily, monthly, and annual reporting of water production and water quality data, wastewater treatment data, storm water data, etc. SJRA also reports on dam safety inspections and emergency action plans to the TCEQ for the three levees SJRA maintains. Additionally, SJRA participates in the regional/state water planning process and reports water supply, water demand, and water conservation data to further develop long range water plans for Region H and Texas.

- B. Does the agency's statute use "person-first respectful language" as required by Texas Government Code, Section 325.0123? Please explain and include any statutory provisions that prohibit these changes.**

SJRA is not subject to the requirements of Texas Government Code, Section 325.0123, however, SJRA expects its employees to be professional in their role as public servants. Section 4.1 of SJRA's Employee Manual (updated in 2019) states:

"4.1 General

The SJRA is a public entity and is therefore subject to close public scrutiny. Employees must conduct themselves in a professional, cooperative, and courteous manner while on duty or representing the SJRA in an official capacity. Employees shall conduct themselves, whether on or off duty, so as to give no occasion for distrust of their integrity, impartiality, or of their loyalty to the best interests of the Authority and the public purposes for which it was created. Accordingly, the SJRA Board of Directors has adopted a Code of Ethics that establishes standards of conduct applicable to directors, officers, investment officers, and employees of the Authority. SJRA employees are expected to abide by both the Board-adopted Code of Ethics and the standards detailed in this policy, as well as the dictates of common sense and propriety. Violations of this policy may result in disciplinary action up to and including termination."

C. Please describe how your agency receives and investigates complaints made against the agency.

Due to SJRA’s unique and geographically-dispersed operating divisions, SJRA utilizes a divisional approach to effectively and efficiently receive and respond to complaints. Each of our operating divisions interacts with their respective customers on a frequent basis, and therefore it is rare to receive an official complaint from customers. When an official complaint is submitted to an operating division, the division staff work diligently to assess the nature of the issue and determine if there is a remedy, along with responding appropriately to the complainant. Each operating division is responsible for appropriately responding to all complaints, but the complaints and responses are not tracked in a format that can be reported numerically.

D. Fill in the following charts detailing your agency’s Historically Underutilized Business (HUB) purchases. Sunset is required by law to review and report this information to the Legislature.

**San Jacinto River Authority
Purchases from HUBs**

Fiscal Year 2016

| Category | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal* | Statewide Goal |
|-----------------------|------------------------|-----------------------|---------|-----------------------|----------------|
| Heavy Construction | \$23,743,354.21 | \$0 | 0% | Not Specified | 11.2% |
| Building Construction | \$1,665,181.44 | \$26,900.00 | 1.6% | Not Specified | 21.1% |
| Special Trade | \$1,267,080.10 | \$214,310.00 | 16.91% | Not Specified | 32.9% |
| Professional Services | \$9,212,796.37 | \$462,757.15 | 5.022% | Not Specified | 23.7% |
| Other Services | \$25,487,189.68 | \$5,046.68 | .019% | Not Specified | 26.0% |
| Commodities | 7,092,800.92 | \$391,806.55 | 5.52% | Not Specified | 21.1% |
| TOTAL | \$68,468,402.72 | \$1,129,163.38 | | | |

* If your goals are agency specific-goals and not statewide goals, please provide the goal percentages and describe the method used to determine those goals. (TAC Title 34, Part 1, Chapter 20, Rule 20.284)

Fiscal Year 2017

| Category | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal | Statewide Goal |
|-----------------------|-----------------|--------------------|---------|----------------------|----------------|
| Heavy Construction | \$14,164,463.47 | \$0 | 0% | Not Specified | 11.2% |
| Building Construction | \$1,597,409.08 | \$0 | 0% | Not Specified | 21.1% |
| Special Trade | \$1,138,317.72 | \$0 | 0% | Not Specified | 32.9% |
| Professional Services | \$6,425,882.79 | \$902,766.50 | 14.04% | Not Specified | 23.7% |
| Other Services | \$29,926,881.77 | \$5,687.48 | 0.01% | Not Specified | 26.0% |
| Commodities | \$7,406,801.83 | \$411,278.42 | 5.55% | Not Specified | 21.1% |

| Category | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal | Statewide Goal |
|--------------|-----------------|--------------------|---------|----------------------|----------------|
| TOTAL | \$60,659,756.66 | \$1,319,732.40 | | | |

Fiscal Year 2018

| Category | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal | Statewide Goal |
|-----------------------|-----------------|--------------------|---------|----------------------|----------------|
| Heavy Construction | \$17,686,928.83 | \$0 | 0% | Not Specified | 11.2% |
| Building Construction | \$1,001,613.69 | \$0 | 0% | Not Specified | 21.1% |
| Special Trade | \$963,282.20 | \$0 | 0% | Not Specified | 32.9% |
| Professional Services | \$5,558,846.41 | \$804,786.47 | 14.47% | Not Specified | 23.7% |
| Other Services | \$42,421,642.81 | \$10,536.64 | 0.02% | Not Specified | 26.0% |
| Commodities | \$5,872,585.06 | \$328,102.32 | 5.58% | Not Specified | 21.1% |
| TOTAL | \$73,504,899.00 | \$1,143,425.43 | | | |

E. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Section 2161.003; TAC Title 34, Part 1, Rule 20.286c)

SJRA is not subject to the requirements of Texas Government Code, Section 2161.003, however, the SJRA Board passed and approved a resolution dated April 24, 2002, requiring the Authority to adhere to and maintain compliance with the provisions, procedures, and requirements of general law relating to contracting with historically underutilized businesses and minority business enterprises that are applicable to the Authority. This Resolution is mandated by Texas Administrative Code, Title 30, Part 1, Chapter 292, Subchapter B, Rule 292.13 (6) (B).

SJRA currently ensures compliance with all HUB plans for projects that require federal funding. Any shortfalls are immediately escalated to the Purchasing Manager. Those issues that cannot be resolved by the Purchasing Manager are then escalated to Senior Management Team, legal counsel, and the agency issuing the Federal Funds to the Authority.

F. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Section 2161.252; TAC Title 34, Part 1, Rule 20.285)

SJRA is not subject to the requirements of Texas Government Code, Section 2161.252, however HUB Subcontracting plans are required currently for all federally-funded projects that are awarded and managed by SJRA.

SJRA is currently in the process of updating and revising its Procurement Policy and Procedures Manual and implementing additional procedures to ensure compliance with the requirements of Texas Administrative Code, Title 30, Part 1, Chapter 292, Subchapter B, Rule 292.13 (6) (B). SJRA

anticipates being complete with the Procurement Policy and Procedures Manual prior to December 1, 2019.

G. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

- 1. Do you have a HUB coordinator? If yes, provide name and contact information. (Texas Government Code, Section 2161.062; TAC Title 34, Part 1, Rule 20.296)**

SJRA does not receive appropriations. The SJRA Purchasing Manager is responsible for HUB contracting efforts at SJRA.

- 2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Texas Government Code, Section 2161.066; TAC Title 34, Part 1, Rule 20.297)**

Not at this time.

- 3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Texas Government Code, Section 2161.065; TAC Title 34, Part 1, Rule 20.298)**

Not at this time.

H. Fill in the charts below detailing your agency’s Equal Employment Opportunity (EEO) statistics. Sunset is required by law to review and report this information to the Legislature. Please use only the categories provided below. For example, some agencies use the classification “paraprofessionals,” which is not tracked by the state civilian workforce. Please reclassify all employees within the appropriate categories below.

**San Jacinto River Authority
Equal Employment Opportunity Statistics**

1. Officials / Administration

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 21 | 0% | 7.4% | 0% | 22.1% | 23.8% | 37.4% |
| 2017 | 22 | 0% | 7.4% | 0% | 22.1% | 22.7% | 37.4% |
| 2018 | 23 | 0% | 7.4% | 0% | 22.1% | 21.7% | 37.4% |

2. Professional

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 32 | 12.5% | 10.4% | 15.6% | 19.3% | 31.3% | 55.3% |
| 2017 | 34 | 8.8% | 10.4% | 23.5% | 19.3% | 29.4% | 55.3% |
| 2018 | 28 | 10.7% | 10.4% | 25.0% | 19.3% | 39.3% | 55.3% |

3. Technical

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 25 | 4.0% | 14.4% | 28.0% | 27.2% | 12.0% | 55.3% |
| 2017 | 27 | 3.7% | 14.4% | 18.5% | 27.2% | 22.2% | 55.3% |
| 2018 | 22 | 4.5% | 14.4% | 9.1% | 27.2% | 22.7% | 55.3% |

4. Administrative Support

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 29 | 3.4% | 14.8% | 6.9% | 34.8% | 100% | 72.1% |
| 2017 | 25 | 4.0% | 14.8% | 8.0% | 34.8% | 100% | 72.1% |
| 2018 | 22 | 4.5% | 14.8% | 9.1% | 34.8% | 100% | 72.1% |

5. Service / Maintenance

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 11 | 0% | 13.0% | 9.1% | 54.1% | 0% | 51.0% |
| 2017 | 10 | 0% | 13.0% | 0% | 54.1% | 0% | 51.0% |
| 2018 | 14 | 0% | 13.0% | 0% | 54.1% | 0% | 51.0% |

6. Skilled Craft

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2016 | 54 | 3.7% | 10.6% | 11.1% | 50.7% | 1.9% | 11.6% |
| 2017 | 53 | 3.8% | 10.6% | 7.5% | 50.7% | 1.9% | 11.6% |
| 2018 | 57 | 1.8% | 10.6% | 12.3% | 50.7% | 1.8% | 11.6% |

I. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

Yes. The Authority has an equal employment opportunity policy in its Employee Handbook, Section 2.0 Equal Employment Opportunity (EEO)/Accommodation, Page 2.

Employees who engage in unlawful discrimination or harassment will be subject to disciplinary action up to and including termination of employment.

XII. Agency Comments

Provide any additional information needed to gain a preliminary understanding of your agency.

SJRA Asset Management and Division Project Plans

(See Supplemental Attachments/12-1 for the Woodlands Division Asset Management Plan and 12-2 for the GRP Division Asset Management Plans).

Beginning in 2007, SJRA began an Authority-wide effort to upgrade numerous business processes and procedures to ensure efficient operations, to incorporate new and emerging technologies, to maximize the ability to track projects and project costs, and to expand tools for providing reporting and transparency. One of the most important improvements was in the area of asset management and capital project planning.

Asset management is a systematic process of planning, developing, constructing, installing, operating, maintaining, upgrading, renewing, and ultimately disposing of assets cost-effectively. The SJRA has embraced this basic concept in the development and implementation of an effective asset management program to maintain the long-term reliability and integrity of its critical infrastructure assets.

SJRA divisional and technical support staff maintain an inventory of assets and periodically (annually as a minimum) conduct a condition assessment of each asset and its ability to meet its service needs. The likelihood of failure and the consequence of the potential failure of the asset are identified. Any factors that may mitigate the potential failure are also identified. Staff identifies the needs for the renewal (rehabilitation and replacement) of the assets and estimates the associated costs for planning and implementing that renewal. These needs are developed into projects that are then prioritized based on the combination of likelihood of failure, consequence of failure, and mitigating factors.

Information regarding the project name, description/justification, schedule, delivery method, budget, and funding source for each project are compiled into a project plan for each division. These annually-updated project plans identify the specific capital and major maintenance projects and associated estimated costs required for each division over the planning period. Prior to FY 2013 the divisions forecasted expenditures on capital and major maintenance projects as part of the budgeting process. Starting with FY 2013, the SJRA developed formal five-year project plans. Starting with FY 2018, the planning period was extended to 10 years. These project plans are provided to customers and the SJRA Board of Directors as part of the annual budgeting process.

In 2014, the SJRA contracted with INFOR for the software licensing and implementation of an Enterprise Asset Management (EAM) system. The system is not only used as a computerized maintenance management system that facilitates the identification, processing, and closing of thousands of work orders associated with preventative maintenance and corrective maintenance activities, but it also supports the development of the project plans. Data can be input into the system from a desktop or a mobile device in the field. The system can also be used in conjunction

with the SJRA GIS system that stores data and graphical information on the SJRA's tens of thousands of assets.

In 2018, SJRA standardized, formalized, and documented the asset management processes used in its Woodlands and GRP Divisions through its issue of the Woodlands Division Asset Management Plan and the GRP Division Asset Management Plan. These fully-coordinated plans identify the current state of asset inventory, valuation and condition, risks of failure, consequence of failure, and a prioritized list of long-range asset renewal requirements for each division. The asset management plan was presented to the Woodlands Trustees on October 10, 2018, the GRP Review Committee on October 22, 2018, and the SJRA Board of Directors on October 25, 2018. *(See Supplemental Attachments/12-3_Aset Management Plan Presentation)*

While the SJRA has been effectively managing its assets through a formal program, we recognize there is always more room for improvement. The SJRA Strategic Plan adopted by the Board of Directors on May 23, 2019, includes an objective to systematically manage authority assets through the following four initiatives:

- Fully implement and update best-practices driven asset management plan for each division.
- Improve effectiveness and reliability of data captured, stored, and reported to the Authority's enterprise asset management system.
- Integrate data collected and stored in the SCADA system for effective use in asset management program.
- Use asset inventory data to accurately update fixed asset accounting and for confirmation of appropriate insurance coverages.

As described above, the asset management plans for each division link to and complement each division's project plan. Presentations of the formal five-year project plans to our customers and our governing Board of Directors in posted, public meetings starting for FY 2013 were as follows:

FY 2014 - FY 2018

- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on June 27, 2013

FY 2015 - FY 2019

- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on June 26, 2014
- Woodlands Division presented to SJRA Board on June 25, 2014

FY 2016 - FY 2020

- GRP Division presented to GRP Review Committee on April 20, 2015 and SJRA Board on April 23, 2015

- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on May 28, 2015
- Woodlands Division presented to SJRA Board on June 25, 2015
- G&A Division presented to SJRA Board on June 25, 2015

FY 2017 - FY 2021

- GRP Division presented to GRP Review Committee on March 21, 2016 and SJRA Board on March 24, 2016
- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on May 26, 2016
- Woodlands Division presented to SJRA Board on June 23, 2016
- G&A Division presented to SJRA Board on June 23, 2016

Presentations of the formal 10-year project plans to our customers and governing Board of Directors in posted, public meetings starting in 2017 were as follows: *(See Supplemental Attachments/Ten Year Project Plans)*

FY 2018 - FY 2027

- GRP Division presented to GRP Review Committee on April 24, 2017 and SJRA Board on April 27, 2017
- Woodlands Division presented to SJRA Board on May 25, 2017
- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on June 22, 2017
- G&A Division presented to SJRA Board on June 22, 2017

FY 2019 - FY 2028

- GRP Division presented to GRP Review Committee on February 20, 2018 and SJRA Board on February 22, 2018
- Woodlands Division presented to WJPA Trustees on March 14, 2018, 10 Woodlands MUDs March 12 thru 14, 2018, and SJRA Board on May 24, 2018
- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on June 28, 2018
- G&A Division presented to SJRA Board on June 28, 2018

FY 2020 - FY 2029

- Woodlands Division presented to WJPA Trustees on April 10, 2019, 10 Woodlands MUDs April 15 thru April 17, 2019, and SJRA Board on April 25, 2019
- G&A Division presented to SJRA Board on May 23, 2019
- RWE (including Highlands and Lake Conroe Divisions) presented to SJRA Board on June 27, 2019

SJRA Strategic Plan

The [SJRA Strategic Plan](#) is a roadmap for keeping our focus on achieving the Authority's overall vision to be a trusted leader in the management of the water resources of the San Jacinto River Basin while we are immersed in the day-to-day challenges of assuring long-term water supplies; reliably providing safe drinking water, raw water, and wastewater treatment services; protecting water quality; coordinating regional flood planning; and engaging the public on a wide range of water resource management topics.

In 2018, the SJRA engaged The Azimuth Group, Inc., to support Senior Management in a year-long inclusive and collaborative project to update the SJRA Strategic Plan. The project included:

- Initial planning and kickoff meetings with members of the Senior Management Team.
- Engagement with multiple stakeholder groups including staff of state legislators representing citizens within the San Jacinto River basin, Groundwater Reduction Plan (GRP) Review Committee members, Woodlands Municipal Utility District board members, large industrial customers, and other community interests such as chambers of commerce.
- Extensive interviews with SJRA division and department managers and staff.
- Intensive planning workshops with senior, division, and department managers and divisional management teams.
- Completion of an environmental scan including community trends, customer expectations, economic climate, water industry trends, technology factors, political factors, and uncertainties.
- Completion of an assessment of strengths, weaknesses, opportunities, and threats.
- An analysis of stakeholder responses/input.
- Preparation of updated statements of vision, mission, and core principles.
- Identification and prioritization of strategic goals, objectives, initiatives, management accountabilities, and target completion dates.
- Solicitation of interim feedback and guidance from the SJRA Board of Directors' Long Range Planning Committee.
- Presentation of the draft set of strategic goals and objectives to the full Board of Directors for review, validation, and additional guidance.
- Finalization of the strategic plan with the Senior Management Team.
- Presentation of the draft strategic plan to the full Board of Directors.
- Final adoption of the updated strategic plan by the SJRA Board of Directors on May 23, 2019.

The resulting Strategic Plan includes six strategic goals which drive 19 individual objectives supported by 60 specific initiatives. Employee performance goals for FY 2020 are linked to the specific initiatives, and a Strategic Plan tracking tool is used to assure timely completion.

SJRA Division/Department Five-Year Business Plans

Each SJRA operating division and G&A support department developed and annually updates a Five-Year Business Plan. The Five-Year Business Plan provides a mid-range plan for managers and staff of each division/department to guide decisions in meeting the SJRA vision, mission, and core principles during the development of the 10-year project plans and the more detailed annual budgets.

In addition to the SJRA vision, mission, and core principles, each plan typically includes the following:

- Description of the division/department
- Organizational chart
- Source and method of funding activities
- Services provided
- Current strategic projects
- A SWOT Analysis (strengths, weaknesses, opportunities and threats)
- Service level expectations and performance measures (key performance indicators)
- A GAP analysis of the service level expectations versus the actual service levels
- Priorities for change to narrow the GAP
- A report card of service level expectations for the previous year
- Path forward

Initial Five-Year Business Plans were developed and approved by Senior Management for FY 2017 and updated for FY 2018. Managers and staff of each operating division and G&A support department are now planning the update for FY 2020 by incorporating the results of the Strategic Plan into each five-year plan. *(See Supplemental Attachments/SJRA Business Plans 2018)*

SJRA Technical and Professional Development

For many years, SJRA has funded job-specific training for its operations and administrative staff, including continuing education activities required to maintain certifications and licenses. In the last several years, SJRA has implemented a comprehensive professional development program that provides additional training for new supervisors and emerging leaders within the organization. In 2016, SJRA developed the Leadership SJRA program (L-SJRA) that teaches leadership principles combined with in-depth reviews of all administrative and operational functions across the Authority. With the graduation of our third L-SJRA class in May, 2019, 66 employees have gone through the program. L-SJRA is a nine-month program, beginning in September of each year. SJRA will begin our fourth L-SJRA class in September 2019. In addition to the L-SJRA program, SJRA is developing first-time supervisor training for any current supervisor or employees expressing an interest in a supervisory role in the future. These types of programs have already paid dividends to SJRA by creating a culture of continuous personal and professional growth within the organization. Our graduates of L-SJRA have expressed a thirst for continued opportunities to learn and have formed the L-SJRA Alumni group. Their efforts have led to the creation of a structured SJRA mentorship program, in which there are two dozen employees being mentored by other SJRA employees. These programs have led to an increase in personal and professional development that compliments the job-specific, technical training offered by SJRA.